

DXP ENTERPRISES INC
Form 424B5
October 20, 2016
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Filed pursuant to 424(b)(5)
Registration No. 333-213227

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are part of an effective registration statement filed with the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the securities described herein, and they are not soliciting an offer to buy these securities, in any state or jurisdiction where such offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated October 20, 2016

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated August 26, 2016)

2,700,000 Shares

DXP ENTERPRISES, INC.

Common Stock

We are offering 2,700,000 shares of our common stock. Our common stock is listed on the Nasdaq Global Select Market under the symbol DXPE. On October 19, 2016, the last sales price of our common stock as reported on the Nasdaq Global Select Market was \$29.02 per share.

Investing in our common stock involves risks that are described in the Risk Factors section beginning on page S-8 of this prospectus supplement, beginning on page 3 of the accompanying prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, or our Annual Report on Form 10-K, filed with the SEC on February 29, 2016, as well as the other information contained in such Form 10-K (which Form 10-K is incorporated by reference herein) to read about factors you should consider before making a decision to invest in our common stock.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions(1)	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) See Underwriting beginning on page S-18 for additional information regarding underwriting compensation. We have granted the underwriters the option to purchase up to an additional 405,000 shares of common stock from us, at the public offering price, less the underwriting discounts and commissions, for 30 days after the date of this prospectus supplement.

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

The shares will be ready for delivery on or about _____, 2016.

Stephens Inc.

William Blair

KeyBanc Capital Markets

The date of this prospectus supplement is _____, 2016.

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on the information provided in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus we may authorize to be delivered to you or to which we have referred you. We have not authorized anyone to provide you with different information. This document may only be used where it is legal to sell these securities. The information in this prospectus supplement, the accompanying prospectus and any free writing prospectus we may authorize to be delivered to you may only be accurate as of the respective dates thereof. You should not assume that the information in this prospectus supplement is current as of any date other than the date of this prospectus supplement, and you should not assume that the information contained in a document incorporated by reference is accurate as of any date other than the date of such document (or, with respect to particular information contained in such document, as of any date other than the date set forth within such document as the date as of which such particular information is provided), regardless of the time of delivery of this prospectus supplement or any sale of a security as our business, financial condition, results of operations and prospects may have changed since then.

We provide information to you about this offering of shares of our common stock in two separate documents that are bound together: (1) this prospectus supplement, which describes the specific details regarding this offering and (2) the accompanying prospectus, which provides general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both documents combined. This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein are part of a shelf registration statement that we filed with the Securities and Exchange Commission (SEC). If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should carefully read this prospectus supplement and the accompanying prospectus, including the information incorporated by reference in this prospectus supplement, before you invest. These documents contain information you should consider before making your investment decision.

We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about, and observe any restrictions relating to, the offering of the common stock and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

Unless otherwise indicated, all references in this prospectus supplement to DXP, DXP Enterprises, Inc., the Company, we, our, us, and like terms refer collectively to DXP Enterprises, Inc. and its consolidated subsidiaries.

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NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain or incorporate by reference, and our officers and representatives may from time to time make, statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as may, will, should, intend, expect, plan, anticipate, believe, estimate, predict, potential, goal, or continue or the negative of such terms or other comparable terms. You are cautioned that any such forward-looking statements involve significant known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by those forward-looking statements. These factors include, but are not limited to, the following:

decreased capital expenditures in the energy industry and persistent depressed energy prices, which adversely impacts our customers' demand for our products and services;

direct sales from manufacturers of products to end users;

changes in our customer and product mix, or adverse changes to the cost of goods we sell;

increased shipping and third-party transportation costs;

the effectiveness of management's strategies and decisions;

ability to refinance existing debt or comply with covenants of credit facilities;

general economic and business conditions, and volatility in commodity and energy prices;

risks associated with future acquisitions and our acquisition strategy;

new or modified statutory or regulatory requirements;

changing prices and market conditions; and

such other factors as discussed throughout the Risk Factors sections of this prospectus supplement and the accompanying prospectus, throughout Part I, Item 2. Management's Discussion and Analysis of Financial

Condition and Results of Operations of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016, throughout Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Current Report on Form 8-K filed on September 8, 2016 and in other reports we file with the SEC from time to time.

While our forward-looking statements reflect our best judgment about future events and trends based on the information currently available to us, our results of operations can be affected by the assumptions we make or by risks and uncertainties known or unknown to us, including those described under Risk Factors in this prospectus supplement, in our most recent Annual Report on Form 10-K and in other reports that we file with the SEC from time to time. Because such forward-looking statements are subject to risks and uncertainties and our actual results could differ materially from those in such forward-looking statements, the factors set forth under the heading Risk Factors in this prospectus supplement, in our most recent Annual Report on Form 10-K and in other reports that we file with the SEC from time to time, among others, in some cases have affected, and in the future could affect, our actual results and could cause our actual results to differ materially from those expressed in any forward-looking statement made by us. Therefore, we cannot guarantee and you should not rely on the accuracy of the forward-looking statements.

All forward-looking statements included in this prospectus supplement are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any such forward-looking statement or statements. All forward-looking statements incorporated by reference into this prospectus supplement or the accompanying prospectus are made as of the date they were originally made based on information available to us on the date such statements were originally made, and we assume no obligation to update any such forward-looking statement or statements.

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference. It does not contain all of the information you should consider before making an investment decision. You should read this entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of our business and this offering. Please read the section entitled Risk Factors commencing on page S-8 of this prospectus supplement and additional information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016, and our Current Report on Form 8-K filed on September 8, 2016, which are incorporated by reference in this prospectus supplement and the accompanying prospectus, for more information about important factors you should consider before investing in our common shares in this offering.

Except as the context otherwise indicates, the information in this prospectus supplement assumes no exercise of the underwriter's option to purchase additional shares of our common stock.

OUR COMPANY

DXP was incorporated in Texas in 1996 to be the successor to SEPCO Industries, Inc., founded in 1908. Since our predecessor company was founded, we have primarily been engaged in the business of distributing maintenance, repair and operating (MRO) products, equipment and service to industrial customers. The Company is organized into three business segments: Service Centers, Supply Chain Services (SCS) and Innovative Pumping Solutions (IPS).

The Service Centers are engaged in providing MRO products, equipment and integrated services, including technical expertise and logistics capabilities, to industrial customers with the ability to provide same day delivery. The Service Centers provide a wide range of MRO products and services in the rotating equipment, bearing, power transmission, hose, fluid power, metal working, industrial supply and safety product and service categories. Our SCS segment manages all or part of its customers' supply chains, including procurement and inventory management. Our IPS segment provides integrated, custom pump skid packages, pump remanufacturing and manufactures branded private label pumps to meet the capital equipment needs of our global customer base. Our IPS segment provides a single source for engineering, systems design and fabrication for unique customer specifications.

Our total sales have increased from \$125 million in 1996 to \$1.2 billion in 2015 through a combination of internal growth and business acquisitions. At June 30, 2016 we operated from 174 locations in forty-one states in the U.S., nine provinces in Canada, Dubai and one state in Mexico, serving more than 50,000 customers engaged in a variety of industrial end markets. We have grown sales and profitability by adding additional products, services, locations and becoming customer driven experts in maintenance, repair and operating solutions.

Our principal executive office is located at 7272 Pinemont Houston, Texas 77040, and our telephone number is (713) 996-4700. Our website address on the Internet is www.dxpe.com and emails may be sent to info@dxpe.com. The reference to our website address does not constitute incorporation by reference of the information contained on the website and such information should not be considered part of this prospectus supplement.

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RECENT DEVELOPMENTS

Below is a summary of certain preliminary estimates regarding our financial results for the quarter ended September 30, 2016. As of the date of this prospectus supplement, we have not completed our financial close process for the quarter. This preliminary financial information is based upon our estimates and is subject to completion of our financial closing procedures. During the course of that process, we may identify items that would require us to make adjustments, which may be material, to the information presented below. As a result, the estimates below constitute forward-looking information and are subject to risks and uncertainties, including possible adjustments to preliminary operating results.

Moreover, this preliminary financial information has been prepared solely on the basis of information that is currently available to, and that is the responsibility of, management. Our independent registered public accounting firm has not audited or reviewed, and does not express an opinion with respect to, this information. This preliminary financial information is not a comprehensive statement of our financial results for the quarter ended September 30, 2016 and remains subject to, among other things, the completion of our financial closing.

DXP Enterprises 2016 Third Quarter Preliminary Financial Highlights:

Sales are anticipated to be between \$228.0 million and \$231.0 million for the third quarter of 2016, compared to \$256.2 million for the second quarter of 2016, a decrease between 9.8 percent to 11.0 percent. Compared to sales for the third quarter of 2015 of \$303.1 million, this represents a decrease of between 23.8 percent and 24.8 percent. The above comparisons include sales from Vertex, which was sold on October 3, 2016.

Gross profit is anticipated to be between \$62.0 million and \$64.0 million, for the third quarter 2016, compared to \$71.6 million for the second quarter of 2016 and \$85.7 million in the third quarter of 2015.

Net income (loss) is anticipated to be between \$(500) thousand to \$500 thousand for the third quarter of 2016, compared to \$5.1 million for the second quarter of 2016 and \$(52.4) million in the third quarter of 2015 which included a \$58.9 million non-cash impairment charge.

Earnings before interest, taxes, depreciation and amortization (EBITDA) is anticipated to be between \$11.0 million and \$13.0 million for the third quarter 2016, compared to \$16.3 million in the second quarter of 2016 and \$11.3 million in the third quarter of 2015.

Preliminary Unaudited Financial Disclosures

The sales decline in the third quarter is mainly attributable to softness in July sales. This was driven by bookings and shipments softening around the days before and after the July 4th holiday across all three business segments. Third quarter performance reflects a departure from our recent trends, which was primarily associated with lagging sales during the month of July. August and September sales were more in line with average year-to-date monthly performance. We do expect seasonality which can be exacerbated by the upcoming holiday season, the elections, seasonal customer facility shutdowns as well as the recent sale of Vertex. We are pleased with our cost containment measures year-to-date. Free cash flow performance, cash flow from operations less capital expenditures, continues to be in line with expectations and, along with our recent announcement regarding Vertex, continues to provide DXP

with resiliency.

Balance Sheet and Liquidity

We estimate cash and cash equivalents to be approximately \$3.4 million as of September 30, 2016. Total debt is expected to be approximately \$319.3 million as of September 30, 2016, which includes \$6.2 million in net proceeds from issuance of 238,858 shares of common stock during the quarter. Compared to the second quarter, debt declined by approximately \$28.4 million during the third quarter. After including the payoff of debt associated with the sale of Vertex, a non-core master distributor of industrial fasteners, announced on October 4, 2016, total debt was approximately \$286.3 million as of October 14, 2016.

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We have a goal of continuing to reduce the amount outstanding under our credit facility and to improve terms. While we are pleased with our debt reduction year-to-date, we intend to, from time to time, evaluate opportunistically accessing the equity or debt capital markets, selling non-core assets, and engaging in prudent liability or capital structure management transactions. Ultimate terms and the successful pursuit of these transactions will be, however, dependent in part on prevailing economic conditions and other factors, including factors beyond our control.

We currently expect that our final results will be within the ranges described above. It is possible, however, that our final results will not be within the ranges we currently estimate. We undertake no obligation to update or supplement the information provided above until we release our results of operations for the three and nine months ended September 30, 2016. Hein & Associates LLP, our independent registered public accounting firm, has not audited, reviewed, compiled or performed any procedures with respect to this financial data.

Non-GAAP Financial Measures

DXP supplements reporting of net income (loss) with non-GAAP measurements, including EBITDA, Adjusted EBITDA and free cash flow. This supplemental information should not be considered in isolation or as a substitute for the unaudited GAAP measurements. Additional information regarding EBITDA referred to in this prospectus supplement is included below under Reconciliation of Non-GAAP Measures.

We believe EBITDA provides additional information about: (i) operating performance, because it assists in comparing the operating performance of the business, as it removes the impact of non-cash depreciation and amortization expense as well as items not directly resulting from core operations such as interest expense and income taxes and (ii) the performance and the effectiveness of operational strategies. Additionally, EBITDA performance is a component of a measure of our financial covenants under our credit facility. Furthermore, some investors use EBITDA as a supplemental measure to evaluate the overall operating performance of companies in the industry. We believe that some investors' understanding of performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing ongoing results of operations. By providing this non-GAAP financial measure, together with a reconciliation from net income, we believe we are enhancing investors' understanding of our business and results of operations, as well as assisting investors in evaluating how well the we are executing strategic initiatives.

DXP ENTERPRISES, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF OPERATIONS**

(\$ thousands)

(unaudited)

	Three Months Ended September 30,		
	2016	2015	2015
	Low	High	Actual
Sales	\$ 228,000	\$ 231,000	\$ 303,080
Gross Profit	\$ 62,000	\$ 64,000	\$ 85,706

Net Income (loss) attributable to DXPE	\$ (500)	\$ 500	\$ (52,435)
Interest expense; Provision for income taxes; Impairments; and Depreciation and amortization	11,500	12,500	63,713
EBITDA	\$ 11,000	\$ 13,000	\$ 11,278

** EBITDA earnings before impairments, interest, taxes, depreciation and amortization

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	Nine Months Ended September 30,		
	2016	2015	2015
	Low	High	Actual
Sales	\$ 737,776	\$ 740,776	\$ 968,362
Gross Profit	\$ 202,421	\$ 204,421	\$ 275,054
Net Income (loss) attributable to DXPE	\$ (442)	\$ 558	\$ (35,617)
Interest expense; Provision for income taxes; Impairments; and Depreciation and amortization	33,470	34,470	95,969
EBITDA	\$ 33,028	\$ 35,028	\$ 60,352

** EBITDA earnings before impairments, interest, taxes, depreciation and amortization

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THE OFFERING

Issuer	DXP Enterprises, Inc.
Shares of our common stock offered	2,700,000 shares (3,105,000 shares if the underwriters exercise their option to purchase additional shares in full).
Number of shares of our common stock outstanding following this offering	17,377,089 shares (17,782,089 shares if the underwriters exercise their option to purchase additional shares in full).
Option to purchase additional shares	We have granted the underwriters the option to purchase up to an additional 405,000 shares of common shares from us for 30 days after the date of this prospectus supplement.
Use of proceeds	We estimate that the net proceeds we will receive from this offering will be approximately \$ million (or \$ million if the underwriters exercise their option to purchase additional shares in full) after deducting the underwriters' discount and commission and estimated offering expenses. We intend to use all of the net proceeds from this offering to pay down a portion of the outstanding borrowings under our credit facility. See Use of Proceeds.
Nasdaq Global Select Market symbol	DXPE.
Risk factors	There are risks associated with this offering and our business. You should consider carefully the risk factors on page S-8 of this prospectus supplement and the other risks identified herein or in the documents incorporated by reference herein before making a decision to purchase common shares in this offering.

The number of shares our common stock to be outstanding immediately after this offering as shown above is based on 14,677,089 shares outstanding as of October 17, 2016 and excludes 171,380 shares of our common stock issuable upon vesting of outstanding restricted stock units or exercise of outstanding stock options.

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RISK FACTORS

An investment in our common stock involves risk. You should consider carefully the risks discussed below as well as those described under Risk Factors in the documents we have incorporated by reference herein, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016 and our Current Report on Form 8-K filed on September 8, 2016, together with all of the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, before making a decision whether to invest in our common stock. If any of the described risks actually were to occur, our business, financial condition or results of operations could be affected materially and adversely. In that case, the trading price of our common stock could decline and you could lose all or part of your investment.

Risks Related to this Offering and Our Common Stock

You may experience future dilution as a result of future equity offerings.

We are not restricted from issuing additional common stock or preferred stock, including securities that are convertible into or exchangeable for, or that represent to the right to receive, common stock or preferred stock. In future offerings, we may sell shares or other securities at a price per share that is less than the price per share paid by investors in this offering. The issuance of additional shares of common stock or securities convertible into our common stock will dilute the ownership interest of our existing common shareholders. New investors also may have rights, preferences and privileges that are senior to, and that adversely affect, our then-current common shareholders.

The right of shareholders to receive liquidation and dividend payments on our common stock is junior to the rights of holders of existing and future indebtedness and to any other senior securities we have outstanding or may issue in the future.

Shares of common stock are equity interests in DXP and do not constitute indebtedness. This means that the shares of common stock will rank junior to all of our indebtedness and to other non-equity claims against us and our assets available to satisfy claims against us, including in our liquidation. Additionally, holders of our common stock are subject to the prior dividend and liquidation rights of holders of our outstanding preferred stock. Our board of directors is authorized to issue additional classes or series of preferred stock in the future without any action on the part of our common shareholders.

Sales of a significant number of shares of our common stock in the public markets, or the perception that such sales could occur, could depress the market price of our common stock.

Sales of a significant number of shares of our common stock in the public markets, or the perception that such sales could occur as a result of our utilization of a universal shelf registration statement, our equity distribution agreement, underwriting agreement, or otherwise could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or the market perception that we are permitted to sell a significant number of our securities would have on the market price of our common stock.

We, certain of our officers and each of our directors have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any of the shares of common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus supplement continuing through the date 60 days after the date of this prospectus supplement, except in certain circumstances. Stephens Inc. may, in its sole discretion,

release any of these shares from these restrictions at any time without notice. See Underwriting.

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The trading price of our common stock may be volatile.

The market price of our common stock could be subject to wide fluctuations in response to, among other things, the risk factors described in our periodic reports, and other factors beyond our control, such as fluctuations in the valuation of companies perceived by investors to be comparable to us. Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions, such as recessions, commodity and energy price fluctuations, interest rate changes or international currency fluctuations, may negatively affect the market price of our common stock. In the past, many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could adversely affect our business.

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from this offering will be approximately \$ million (or \$ million if the underwriters exercise their option to purchase additional shares in full) after deducting the underwriters discount and commission and estimated offering expenses.

We intend to use all of the net proceeds from this offering to pay down a portion of the outstanding borrowings under our credit facility. Following such repayment, we may seek to refinance our senior secured credit facilities depending on market conditions and other factors, however, there can be no assurance that we will be able to complete a refinancing of some or all of our senior secured credit facilities on favorable terms or at all.

The Fourth Amendment to our Amended and Restated Credit Agreement, dated as of August 15, 2016 (the Fourth Amendment), requires mandatory prepayments in an amount equal to \$30 million (including \$17 million to be applied to the term loan) by December 31, 2016 and \$25 million (including \$14 million to be applied to the term loan) by March 31, 2017. These payments are in addition to the Company's previously existing obligation under the credit facility to make principal payments on the last business day of each fiscal quarter in an amount of \$12.5 million per quarter for the fiscal quarter periods ending September 30, 2016 through and including December 31, 2016, and \$15.625 million per quarter for the fiscal quarter periods ending March 31, 2017 through March 31, 2018. Our credit facility expires on March 31, 2018.

We used the proceeds of our sale of our master distribution business of industrial fasteners, Vertex Corporate Holdings, Inc. and its subsidiaries, on October 3, 2016 to satisfy the additional mandatory principal prepayment of \$30 million that is required before December 31, 2016. At October 14, 2016, \$162.0 million of principal was outstanding on our revolving line of credit and the term loan component of our credit facility was \$120.5 million of principal, for a total of \$282.5 million of principal outstanding at a weighted average interest rate of approximately 5.53%.

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DIVIDEND POLICY

We anticipate that future earnings will be retained to finance the continuing development of our business. In addition, our bank credit facility prohibits us from declaring or paying any cash dividends or other distributions on our capital stock except for preferred dividends on our Series B convertible preferred stock, up to a maximum aggregate amount of \$90,000 per year. Accordingly, we do not anticipate paying cash dividends on our common stock in the foreseeable future. The payment of any future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, future earnings, the success of our business activities, regulatory and capital requirements, our lenders, our general financial condition and general business conditions.

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The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2016:

on an actual basis; and

on an as adjusted basis to give effect to the issuance and sale of our common stock offered hereby and the application of estimated net proceeds (assuming no exercise of the underwriters' option to purchase additional shares) as described in Use of Proceeds.

This table should be read in conjunction with, and is qualified in its entirety by reference to, Use of Proceeds included elsewhere in this prospectus supplement and under Management's Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and the accompanying notes in our Quarterly Reports on Form 10-Q for the quarter ended June 30, 2016, which are incorporated by reference into this prospectus supplement.

(in thousands)	As of June 30, 2016	
	Actual	As adjusted
Cash and cash equivalents	\$ 1,087	\$
Long term indebtedness	\$ 347,132	\$
Equity:		
Series A preferred stock, 1/10th vote per share; \$1.00 par value; liquidation preference of \$100 per share (\$112 at June 30, 2016) 1,000,000 shares authorized; 1,122 shares issued and outstanding	1	1
Series B convertible preferred stock, 1/10th vote per share; \$1.00 par value; \$100 stated value; liquidation preference of \$100 per share; (\$1,500 at June 30, 2016); 1,000,000 shares authorized; 15,000 shares issued and outstanding	15	15
Common stock, par value \$0.01; 100,000,000 shares authorized; 14,655,356 shares issued and 14,512,465 outstanding (actual) and 17,155,356 shares issued and 17,012,465 outstanding (as adjusted)	146	
Additional paid in capital	104,516	
Retained earnings	109,796	
Accumulated other comprehensive loss	(10,230)	
Treasury stock, at cost (142,900 shares)	(6,528)	(6,528)
Total DXP Enterprises, Inc. Equity	197,716	
Noncontrolling interest	1,456	
Total equity	199,172	

Total capitalization	\$ 547,391	\$
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Our common stock trades on the Nasdaq Global Select Market under the symbol DXPE. The range of high and low sales prices per share of common stock as reported by the Nasdaq Global Select Market are set in the following table for the periods indicated:

	Share Price Trading Range	
	High	Low
2016:		
Fourth Quarter (through October 19, 2016)	\$ 30.05	\$ 26.36
Third Quarter	31.34	14.63
Second Quarter	23.21	12.67
First Quarter	23.69	\$ 13.04
2015:		
Fourth Quarter	\$ 34.49	\$ 22.33
Third Quarter	46.88	25.80
Second Quarter	49.06	39.78
First Quarter	\$ 51.20	\$ 38.94
2014:		
Fourth Quarter	75.51	44.27
Third Quarter	83.17	68.90
Second Quarter	115.18	64.01
First Quarter	\$ 115.50	\$ 90.19

As of October 17, 2016, there were 405 holders of record of our common stock, four holders of Series A Preferred Stock and three holders of Series B Convertible Preferred Stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS APPLICABLE TO NON-U.S. HOLDERS

The following discussion summarizes certain material U.S. federal income tax consequences of the purchase, ownership and disposition of our common stock by certain non-U.S. holders (as defined below). This discussion only applies to non-U.S. holders who purchase and hold our common stock as a capital asset for U.S. federal income tax purposes (generally property held for investment). This discussion does not describe all of the tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances.

For purposes of this discussion, a non-U.S. holder means a beneficial owner of shares of our common stock that is not for U.S. federal income tax purposes any of the following:

an entity or arrangement treated as a partnership;

an individual citizen or resident of the United States;

a corporation (or any other entity treated as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if it (a) is subject to the primary supervision of a court within the United States and one or more United States persons as defined under the Code (as defined below) have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable Treasury regulations to be treated as a United States person as defined under the Code.

This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended, or the Code, and Treasury regulations, rulings and judicial decisions as of the date hereof. These authorities may change, perhaps retroactively, which could result in U.S. federal income tax consequences different from those summarized below. This discussion does not address all aspects of U.S. federal income taxes (such as the alternative minimum tax) and does not describe any foreign, state, local or other tax considerations that may be relevant to non-U.S. holders in light of their particular circumstances. In addition, this discussion does not describe the U.S. federal income consequences applicable to a non-U.S. holder who is subject to special treatment under U.S. federal income tax laws (including, but not limited to, a bank or financial institution, a broker, a dealer in securities, a U.S. expatriate or former citizen or former long-term resident of the United States, a controlled foreign corporation, a passive foreign investment company, a corporation that accumulates earnings to avoid U.S. federal income tax, a pass-through entity for U.S. federal income tax purposes or an investor in a pass-through entity for U.S. federal income tax purposes, a tax-exempt organization or an insurance company or a person holding our common stock as part of a hedging or conversion transaction or straddle). We cannot assure you that a change in law will not significantly alter the tax considerations that we describe in this discussion.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner of that partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our common stock, you should

consult your tax advisors.

THIS DISCUSSION IS PROVIDED FOR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE LEGAL ADVICE TO ANY PROSPECTIVE PURCHASER OF OUR COMMON STOCK. IF YOU ARE CONSIDERING THE PURCHASE OF OUR COMMON STOCK, YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES AND ANY CONSEQUENCES ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF APPLICABLE STATE, LOCAL OR FOREIGN TAXING JURISDICTIONS.

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Table of Contents*Distributions on common stock*

In general, if distributions are made to non-U.S. holders with respect to our common stock, such distributions will be treated as dividends to the extent of our current and accumulated earnings and profits as determined under the Code, and will be subject to withholding as discussed below. Any portion of a distribution that exceeds our current and accumulated earnings and profits will first be applied to reduce the non-U.S. holder's basis in the common stock and, to the extent such portion exceeds the non-U.S. holder's basis, the excess will be treated as gain from commissions from the underwriters or commissions from the purchasers for which they may act as agents. Securities may also be sold in one or more of the following transactions: (a) block transactions (which may involve crosses) in which a broker-dealer may sell all or a portion of the securities as agent but may position and resell all or a portion of the block as principal to facilitate the transaction; (b) purchases by a broker-dealer as principal and resale by the broker-dealer for its own account pursuant to a prospectus supplement; (c) a special offering, an exchange distribution or a secondary distribution in accordance with applicable NYSE or other stock exchange rules; (d) ordinary brokerage transactions and transactions in which a broker-dealer solicits purchasers; (e) sales "at the market" to or through a market maker or into an existing trading market, on an exchange or otherwise, for shares; and (f) sales in other ways not involving market makers or established trading markets, including direct sales to purchasers. Broker-dealers may also receive compensation from purchasers of these securities which is not expected to exceed that customary in the types of transactions involved. 31 Any underwriting compensation paid by us to underwriters or agents in connection with the offering of these securities, and any discounts or concessions or commissions allowed by underwriters to participating dealers, will be set forth in the applicable prospectus supplement. Dealers and agents participating in the distribution of these securities may be deemed to be underwriters and any discounts and commissions received by them and any profit realized by them on resale of the securities may be deemed to be underwriting discounts and commissions. Underwriters, dealers and agents may be entitled, under agreements entered into with us, to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act. Unless otherwise set forth in the accompanying prospectus supplement, the obligations of any underwriters to purchase any of these securities will be subject to certain conditions precedent. In connection with the offering of the securities described in this prospectus and any applicable prospectus supplement, certain underwriters, and selling group members and their respective affiliates, may engage in transactions that stabilize, maintain or otherwise affect the market price of the securities being offered. These transactions may include stabilization transactions effected in accordance with Rule 104 of Regulation M promulgated by the SEC pursuant to which these persons may bid for or purchase securities for the purpose of stabilizing their market price. The underwriters in an offering of these securities may also create a "short position" for their account by selling more securities in connection with the offering than they are committed to purchase from us. In that case, the underwriters could cover all or a portion of the short position by either purchasing the securities in the open market following completion of the offering or by exercising any over-allotment option granted to them by us. In addition, the managing underwriter may impose "penalty bids" under contractual arrangements with other underwriters, which means that they can reclaim from an underwriter (or any selling group member participating in the offering) for the account of the other underwriters, the selling concession for the securities that is distributed in the offering but subsequently purchased for the account of the underwriters in the open market. Any of the transactions described in this paragraph or comparable transactions that are described in any applicable prospectus supplement may result in the maintenance of the price of our securities at a level above that which might otherwise prevail in the open market. None of the transactions described in this paragraph or in any applicable prospectus supplement are required to be taken by any underwriters and, if they are undertaken, may be discontinued at any time. Our common stock and 8.50% Series A Cumulative Redeemable preferred stock are listed on the NYSE under the symbols "MFA" and "MFA PrA", respectively. Any underwriters or agents to or through which our securities are sold by us may make a market in our common stock or preferred stock, but these underwriters or agents will not be obligated to do so and any of them may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of or trading market for any of our securities, including our common stock. Underwriters, dealers and agents may engage in transactions with, or perform services for, us and our affiliates in the

ordinary course of business. Underwriters have from time to time in the past provided, and may from time to time in the future provide, investment banking services to us for which they have in the past received, and may in the future receive, customary fees.

32 EXPERTS Our consolidated financial statements appearing in our annual report on Form 10-K for the year ended December 31, 2003 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing. Our consolidated financial statements as of December 31, 2002 and for the years ended December 31, 2002 and 2001 incorporated in this prospectus by reference to our annual report on Form 10-K for the year ended December 31, 2003 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS The validity of the securities offered by this prospectus is being passed upon for us by Clifford Chance US LLP, New York, New York. The opinion of counsel as described under "Federal Income Tax Considerations" is being rendered by Clifford Chance US LLP, which opinion is subject to various assumptions and is based on current tax law. Alan L. Gosule, a partner at Clifford Chance US LLP, is a member of our board of directors and owns 2,586 shares of our common stock.

WHERE YOU CAN FIND MORE INFORMATION We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy the materials we file at the SEC's Public Reference Room at 450 Fifth Street, N.W., 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 to the public on the internet from the SEC's website at www.sec.gov. This site contains reports, proxy statements and other information regarding issuers that file documents electronically with the SEC. Our common stock is listed on the NYSE under the symbol "MFA" and all reports, proxy statements and other information filed by us with the NYSE may be inspected at the NYSE's offices at 20 Broad Street, New York, New York 10005. We have filed a registration statement, of which this prospectus is a part, covering the securities offered hereby. As allowed by SEC rules, this prospectus does not include all of the information contained in the registration statement and the exhibits, financial statements and schedules thereto. We refer you to the registration statement, and the exhibits, financial statements and schedules thereto, for further information. This prospectus is qualified in its entirety by such other information.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE The SEC allows us to "incorporate by reference" the information we file with them, which means: o incorporated documents are considered part of this prospectus; o we can disclose important information to you by referring you to those documents; and o information that we file with the SEC will automatically update and supersede the information in this prospectus and any information that was previously incorporated in this prospectus. We filed the following documents with the SEC (File No. 1-13991) under the Exchange Act and incorporate them by reference into this prospectus: o Our annual report on Form 10-K for the fiscal year ended December 31, 2003; 33 o Our quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2004; o Our current reports on Form 8-K filed with the SEC on February 12, 2004 and April 23, 2004; o Our definitive Proxy Statement filed with the SEC on April 21, 2004; o The description of our common stock contained in our registration statement on Form 8-A filed with the SEC on March 26, 1998, including all amendments and reports filed for the purpose of updating such description; and o The description of our 8.50% Series A Cumulative Redeemable preferred stock contained in our registration statement on Form 8-A filed with the SEC on April 23, 2004. Any documents we file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of the offering of the securities to which this prospectus relates will automatically be deemed to be incorporated by reference into this prospectus and to be part hereof from the date of filing those documents. Any documents we file pursuant to these sections of the Exchange Act after the date of the initial registration statement that contains this prospectus and prior to the effectiveness of the registration statement will automatically be deemed to be incorporated by reference into this prospectus and to be part hereof from the date of filing those documents. Any statement contained in this prospectus or in any document incorporated, or deemed to be incorporated, by reference into this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference into this prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus and the related registration statement. Nothing in this prospectus shall be deemed to incorporate

information furnished by us but not filed with the SEC pursuant to Items 9 or 12 of Form 8-K or Items 2.02 or 7.01 of the revised Form 8-K. You can obtain any of our filings incorporate by reference into this prospectus from us or from the SEC on the SEC's website at the address listed above. We will provide without charge to each person to whom this prospectus is delivered, upon written or oral request, a copy of these filings or portions of these filings by writing or telephoning: Mr. Timothy W. Korth General Counsel, Senior Vice President - Business Development and Secretary MFA Mortgage Investments, Inc. 350 Park Avenue, 21st Floor New York, New York 10022 (212) 207-6400 34

PART II Item 14. Other Expenses of Issuance and Distribution. The following table sets forth the expenses to be borne by the registrant in connection with the offerings described in this registration statement. All such expenses other than the SEC registration fee are estimates. SEC registration fee..... \$ 40,450 Legal fees and expenses(1)..... 50,000 Accounting fees and expenses(1)..... 15,000 Printing(1)..... 10,000 Miscellaneous(1)..... 5,000 ----- Total \$ 120,450 ----- (1)

Estimated Item 15. Indemnification of Officers and Directors. As permitted by MGCL, Article Eighth, Paragraph (a)(5) of our Amended and Restated Articles of Incorporation provides for indemnification of our directors and officers, as follows: We may provide any indemnification permitted by the general laws of Maryland and shall indemnify current and former directors, officers, agents and employees as follows: (A) the Corporation shall indemnify its directors and officers, whether serving the Corporation, or at its request, any other entity, to the full extent required or permitted by the general laws of the State of Maryland now or hereafter in force, including the advance of expenses under the procedures and to the full extent permitted by law and (B) the Corporation shall indemnify other employees and agents, whether serving the Corporation or at its request any other entity, to such extent as shall be authorized by the board of directors or the Corporation's Bylaws and be permitted by law. The foregoing rights of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled. The board of directors may take such action as is necessary to carry out these indemnification provisions and is expressly empowered to adopt, approve and amend from time to time such Bylaws, resolutions or contracts implementing such provisions or such further indemnification arrangements as may be permitted by law. No amendment of the Charter of the Corporation or repeal of any of its provisions shall limit or eliminate the right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal or shall limit or eliminate the rights granted under indemnification agreements entered into by the Corporation and its directors, officers, agents and employees. Our Bylaws contain indemnification procedures that implement those of our Articles of Incorporation. The MGCL permits a corporation to indemnify its directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities, unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to such proceeding and was (i) committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services, or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the action or omission was unlawful.

II-1 As permitted by the MGCL, Article Eighth, Paragraph (a)(6) of our Articles of Incorporation provides for limitation of liability of our directors and officers as follows: To the fullest extent permitted by Maryland statutory or decisional law, as amended or interpreted, no current and former director or officer of the Corporation shall be personally liable to the Corporation or its stockholders for money damages. No amendment of the Charter of the Corporation or repeal of any of its provisions shall limit or eliminate the benefits provided to directors and officers under this provision with respect to any act or omission which occurred prior to such amendment or repeal. The MGCL permits the charter of a Maryland corporation to include a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages, except to the extent that (i) the person actually received an improper benefit or profit in money, property or services or (ii) a judgment or other final adjudication is entered in a proceeding based on a finding that the person's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. As permitted under Section 2-418(k) of the MGCL, we have purchased and maintain insurance on behalf of our directors and officers against any liability asserted against such directors and officers in their capacities as such. Item 16. Exhibits. Exhibit Description 3.1 Amended and Restated Articles of Incorporation of the registrant (incorporated herein by reference to Form 8-K, dated April 10, 1998, filed by the registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)). 3.2 Articles of Amendment to the Amended and Restated Articles of Incorporation of the

registrant, dated August 6, 2002 (incorporated herein by reference to Form 8-K, dated August 13, 2002, filed by the registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)). 3.3 Articles of Amendment to the Amended and Restated Articles of Incorporation of the registrant, dated August 16, 2002 (incorporated herein by reference to Exhibit 3.3 of the Form 10-Q, dated September 30, 2002, filed by the registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)). 3.4 Articles Supplementary of the registrant, dated April 22, 2004, designating the registrant's 8.50% Series A Cumulative Redeemable Preferred Stock (incorporated herein by reference to Exhibit 3.4 of the Form 8-A, dated April 23, 2004, filed by the registrant pursuant to the Securities Act of 1934 (Commission File No. 1-13991)). 3.5 Amended and Restated Bylaws of the registrant (incorporated herein by reference to the Form 8-K, dated August 13, 2002, filed by the registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)). 4.1 Specimen of Common Stock Certificate of the registrant (incorporated herein by reference to Exhibit 4.1 of the Registration Statement on Form S-4, dated February 12, 1998, filed by the registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)). 4.2 Specimen of Stock Certificate representing the 8.50% Series A Cumulative Redeemable Preferred Stock of the registrant (incorporated herein by reference to Exhibit 4 of the Form 8-A, dated April 23, 2004, filed by the registrant pursuant to the Securities Act of 1934 (Commission File No. 1-13991)). 5.1 Opinion of Clifford Chance US LLP.* 8.1 Opinion of Clifford Chance US LLP as to tax matters.* 10.1 MFA Mortgage Investments, Inc. 2004 Equity Compensation Plan. 12.1 Computation of Ratio of Earnings to Fixed Charges. 23.1 Consent of Clifford Chance US LLP (included in Exhibits 5.1 and 8.1). 23.2 Consent of PricewaterhouseCoopers LLP. 23.3 Consent of Ernst & Young LLP. 24.1 Powers of Attorney.* ----- *Previously filed II-2 Item 17. Undertakings. (a) The undersigned registrant hereby undertakes: (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement; (i) To include any prospectus required by Section 10(a)(3) of the Securities Act; (ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement; notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and (iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement; provided, however that paragraphs (a)(1)(i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in the periodic reports filed by the registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in this registration statement. (2) That, for the purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. (3) To remove from registration by means of a post-effective amendment any of the securities being offered which remain unsold at the termination of the offering. (b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. (c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling II-3 person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by the controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final

adjudication of such issue. (d) The undersigned Registrant hereby undertakes that: (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective. (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. II-4 SIGNATURES Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this post-effective amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on July 21, 2004. MFA MORTGAGE INVESTMENTS, INC. By: /s/ Stewart Zimmerman

----- Name: Stewart Zimmerman Title: Chairman of the Board, Chief Executive Officer and President Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated. Name Title Date ---- ----- /s/Stewart Zimmerman ----- Stewart Zimmerman Chairman of the Board, Chief July 21, 2004 Executive Officer and President * ----- William S. Gorin Chief Financial Officer July 21, 2004 * ----- Stephen Blank Director July 21, 2004 * ----- Michael L. Dahir Director July 21, 2004 * ----- Alan Gosule Director July 21, 2004 * ----- George H. Krauss Director July 21, 2004 *By /s/ Stewart Zimmerman Attorney-In-Fact July 21, 2004 -----

II-5 EXHIBIT INDEX Exhibit Number Exhibit Description ----- 3.1 Amended and Restated Articles of Incorporation of the registrant (incorporated herein by reference to Form 8-K, dated April 10, 1998, filed by the registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)). 3.2 Articles of Amendment to the Amended and Restated Articles of Incorporation of the registrant, dated August 6, 2002 (incorporated herein by reference to Form 8-K, dated August 13, 2002, filed by the registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)). 3.3 Articles of Amendment to the Amended and Restated Articles of 3.3 Incorporation of the registrant, dated August 16, 2002 (incorporated herein by reference to Exhibit 3.3 of the Form 10-Q, dated September 30, 2002, filed by the registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)). 3.4 Articles Supplementary of the registrant, dated April 22, 2004, designating the registrant's 8.50% Series A Cumulative Redeemable Preferred Stock (incorporated herein by reference to Exhibit 3.4 of the Form 8-A, dated April 23, 2004, filed by the registrant to the Securities Act of 1934 (Commission File No. 1-13991)). 3.5 Amended and Restated Bylaws of the registrant (incorporated herein by reference to the Form 8-K, dated August 13, 2002, filed by the registrant pursuant to the Securities Exchange Act of 1934 (Commission File No. 1-13991)). 4.1 Specimen of Common Stock Certificate of the registrant (incorporated herein by reference to Exhibit 4.1 of the Registration Statement on Form S-4, dated February 12, 1998, filed by the registrant pursuant to the Securities Act of 1933 (Commission File No. 333-46179)). 4.2 Specimen of Stock Certificate representing the 8.50% Series A Cumulative Redeemable Preferred Stock of the registrant (incorporated herein by reference to Exhibit 4 of the Form 8-A, dated April 23, 2004, filed by the registrant pursuant to the Securities Act of 1934 (Commission File No. 1-13991)). 5.1 Opinion of Clifford Chance US LLP.* 8.1 Opinion of Clifford Chance US LLP as to tax matters.* 10.1 MFA Mortgage Investments, Inc. 2004 Equity Compensation Plan. 12.1 Computation of Ratio of Earnings to Fixed Charges. 23.1 Consent of Clifford Chance US LLP (included in Exhibits 5.1 and 8.1). 23.2 Consent of PricewaterhouseCoopers LLP. 23.3 Consent of Ernst & Young LLP. 24.1 Powers of Attorney.* -----

*Previously filed II-6