

R&G FINANCIAL CORP
Form S-3/A
September 27, 2004

As filed with the Securities and Exchange Commission on September 24, 2004

Registration No. 333-118920

Registration No. 333-118920-01

Registration No. 333-118920-02

Registration No. 333-118920-03

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Pre-Effective Amendment No. 1 to
FORM S-3**

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

**R&G Financial
Corporation**

R&G Capital Trust VI

**R&G Capital Trust VII
R&G Capital Trust VIII**

(Exact name of Co-Registrants as Specified in their Charters)

Puerto Rico

*(State or Other Jurisdiction of
Incorporation or Organization)*

66-0532217

(IRS Employer Identification Number)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

51-6557820

51-6557821

51-6557822

(IRS Employer Identification Numbers)

280 Jesús T. Piñero Avenue

San Juan, Puerto Rico 00918

(787) 758-2424

*(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrants' Principal Executive Offices)*

Joseph R. Sandoval

Executive Vice President and Chief Financial Officer

R&G Financial Corporation

280 Jesús T. Piñero Avenue

San Juan, Puerto Rico 00918

(787) 758-2424

*(Name, Address, Including Zip Code, and Telephone Number Including
Area Code, of Agent for Service for Co-Registrants)*

Copies to:

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Norman B. Antin, Esq.
Jeffrey D. Haas, Esq.
Patton Boggs LLP
2550 M Street, NW
Washington D.C. 20037
(202) 457-6000

Approximate Date of Commencement of Proposed Sale to the Public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE(1)

Title of Each Class of Securities to be Registered(2)	Amount to be Registered(3)(4)	Proposed Maximum Aggregate Price Percent(5)	Proposed Maximum Aggregate Offering Price(6)	Amount of Registration Fee
Debt Securities, Preferred Stock, Common Stock and certain guarantees of R&G Financial Corporation(7)				
Trust Preferred Securities of R&G Capital Trust VI(7)				
Trust Preferred Securities of R&G Capital Trust VII(7)				
Trust Preferred Securities of R&G Capital Trust VIII(7)				
	\$500,000,000	100%	\$ 500,000,000	\$63,350*

* The registration fee was previously paid.

- (1) Estimated in accordance with Rule 457 solely for the purpose of calculating the registration fee.
- (2) Any securities registered hereunder may be sold separately or together with other securities registered hereunder.
- (3) Includes such indeterminate number of shares of common stock of R&G Financial Corporation as may be issued in exchange for, or upon conversion of, debt securities or preferred stock of R&G Financial Corporation registered hereunder. No separate consideration will be received by R&G Financial Corporation for any shares of common stock so issued in exchange for or upon conversion of debt securities or preferred stock. Also includes such additional principal amount as may be necessary such that, if debt securities of R&G Financial Corporation are issued with an original issue discount, the aggregate initial offering price of all debt securities will equal the amount registered above less the dollar amount of other securities previously issued. Also includes an indeterminate number of trust preferred securities of R&G Capital Trust VI, R&G Capital Trust VII and R&G Capital Trust VIII (the Trusts) as may be issued at indeterminate prices and junior subordinated debt securities that may be issued by R&G Financial Corporation to evidence a loan by one or more Trusts to R&G Financial Corporation of the proceeds from the sale of the trust preferred securities of such Trusts. Junior subordinated debt securities evidencing the loan to R&G Financial Corporation may later be distributed to the holders of a Trust's trust preferred securities upon dissolution of a trust.
- (4) This registration statement also registers, where required, an indeterminate amount of securities to be offered and sold by affiliates of R&G Financial Corporation, in market-making transactions.
- (5) Omitted pursuant to General Instruction II.D of Form S-3. The proposed maximum offering price per unit will be determined from time to time by the relevant Registrant in connection with the issuance by such Registrant of securities registered hereunder.
- (6) In no event will the aggregate initial offering price of the securities issued under this registration statement exceed the amount registered above or the equivalent thereof in one or more foreign currencies or currency units.
- (7) Includes the rights of holders of the trust preferred securities of the Trusts under the trust preferred securities guarantee and certain undertakings, comprising the obligations of R&G Financial Corporation to provide certain indemnities in respect of, and pay and be responsible for certain costs, expenses, debts and liabilities of the Trusts, other than with respect to such trust preferred securities, and such obligations of R&G Financial Corporation as set forth in the amended and restated declaration of trust of each Trust and the junior subordinated indenture, in each case as further described in the registration statement. The guarantees, when taken together with R&G Financial Corporation's obligations under the junior subordinated debt securities, the junior subordinated indenture and the amended and restated declaration of trust of each Trust, will provide a full and unconditional guarantee on a subordinated basis by R&G Financial Corporation of payments due on the trust preferred securities of each Trust to the extent funds are available therefor. No separate consideration will be received for any guarantee or other debt securities obligations.

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

EXPLANATORY NOTE

This registration statement contains two forms of base prospectuses to be used in connection with offerings of the following securities:

senior debt securities, subordinated debt securities, junior subordinated debt securities (collectively, debt securities), preferred stock and common stock of R&G Financial Corporation, including such debt securities or common stock that may be issued upon conversion, exchange or exercise of these securities; and

Trust preferred securities of R&G Capital Trust VI, R&G Capital Trust VII, and R&G Capital Trust VIII, junior subordinated debt securities of R&G Financial Corporation and guarantees by R&G Financial Corporation in connection with the issuance of the trust preferred securities of R&G Capital Trust VI, R&G Capital Trust VII and R&G Capital Trust VIII.

Each offering of securities made under this registration statement will be made pursuant to one of these two base prospectuses, with the specific terms of the securities offered thereby set forth in an accompanying prospectus supplement. The aggregate initial offering price of the securities that may be offered under these two prospectuses will not exceed \$500,000,000.

Each of these two base prospectuses may also be used by affiliates of R&G Financial Corporation in market-making transactions in the securities covered by such prospectus.

We will amend and complete the information in this prospectus. We may not sell any of these securities or accept your offer to buy any of them until the documentation filed with the SEC relating to these securities has been declared effective by the SEC. This prospectus is not an offer to sell these securities or our solicitation of your offer to buy these securities in any State or other jurisdiction where that would not be permitted or legal.

SUBJECT TO COMPLETION, DATED SEPTEMBER 24, 2004

PRELIMINARY PROSPECTUS

Debt Securities

Preferred Stock

Common Stock

We may offer from time to time debt securities, preferred stock and common stock. We may also issue debt securities or common stock upon the conversion, exchange or exercise of any of the securities listed above.

We will offer the securities in amounts, at prices and on terms to be determined by market conditions at the time of the offering. We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the accompanying prospectus supplement carefully before you invest.

THESE SECURITIES WILL BE OUR UNSECURED OBLIGATIONS, WILL NOT BE SAVING ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF ANY BANK OR SAVINGS ASSOCIATION, AND WILL NOT BE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is _____, 2004.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we and the Trusts filed with the Securities and Exchange Commission, or the SEC, utilizing the shelf registration process. Under this shelf registration statement, we may sell, either separately or together, debt securities, preferred stock and common stock in one or more offerings. We may also issue debt securities or common stock upon conversion, exchange or exercise of any of the securities mentioned above. The Trusts may sell trust preferred securities representing undivided beneficial interests in the Trusts to the public and common securities representing undivided beneficial interests in the Trusts to us in one or more offerings. The aggregate amount of securities that we and the Trusts may offer under the registration statement is \$500,000,000, denominated in U.S. dollars or the equivalent in foreign currencies, currency units or composite currencies.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and the applicable prospectus supplement together with the additional information described under the heading **Where You Can Find More Information**.

The registration statement that contains this prospectus, including the exhibits to the registration statement, contains additional information about us and the securities offered under this prospectus. That registration statement can be read at the SEC web site or at the SEC offices mentioned under the heading **Where You Can Find More Information**.

The words **we**, **our**, **us** and **R&G Financial** refer to R&G Financial Corporation, unless we indicate otherwise.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make certain forward-looking statements in this prospectus and in the information incorporated by reference herein that are based upon our current expectations and projections about current events. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of these safe harbor provisions. The reader can identify these statements from our use of the words **may**, **could**, **should**, **will**, **would**, **hope**, **might**, **believe**, **expect**, **anticipate**, **estimate**, **intend**, **plan**, **assume** and similar expressions. These forward-looking statements explicitly, include the assumptions underlying the statements and other information with respect to our beliefs, plans, objectives, goals, expectations, anticipations, estimates, intentions, financial condition, results of operations, future performance and business, including our expectations and estimates with respect to our revenues, expenses, earnings, return on equity, return on assets, efficiency ratio, asset quality and other financial data and capital and performance ratios.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, these statements involve risks and uncertainties that are subject to change based on various important factors (some of which are beyond our control). The following factors, among others, could cause our financial performance to differ materially from our goals, plans, objectives, intentions, expectations and other forward-looking statements:

the strength of the United States economy in general and the strength of the regional and local economies within our markets;

geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts, which could impact business and economic conditions in the United States and abroad;

adverse changes in the local real estate market, as most of the Company's loans are concentrated in Puerto Rico and Florida and a substantial portion of these loans have real estate as collateral;

the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System;

inflation, interest rate, market and monetary fluctuations;

our timely development of new products and services in a changing environment, including the features, pricing and quality of our products and services compared to the products and services of our competitors;

the willingness of users to substitute competitors' products and services for our products and services;

the impact of changes in financial services policies, laws and regulations, including laws, regulations and policies concerning taxes, banking, securities and insurance, and the application thereof by regulatory bodies;

technological changes;

changes in consumer spending and savings habits; and

regulatory or judicial proceedings.

If one or more of the factors affecting our forward-looking information and statements proves incorrect, then our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements contained in this prospectus and in the information incorporated by reference herein. Therefore, we caution you not to place undue reliance on our forward-looking information and statements.

R&G FINANCIAL CORPORATION

We are a Puerto Rico chartered, financial holding company that operates R-G Premier Bank of Puerto Rico, or Premier Bank, a Puerto Rico commercial bank, and R-G Crown Bank, or R-G Crown, a Florida domiciled federal savings bank. We also operate R&G Mortgage Corp, the second largest mortgage company in Puerto Rico, The Mortgage Store of Puerto Rico, Inc., a subsidiary of R&G Mortgage, and Continental Capital Corp., a mortgage banking subsidiary of R-G Crown which does business in the continental United States. We also conduct an insurance agency business and offer broker dealer services in Puerto Rico through Home & Property Insurance Corp. and R-G Investments Corporation, respectively.

In June 2002, we acquired R-G Crown, which operates in the Tampa St. Petersburg Clearwater and Orlando metropolitan areas through 15 full-service offices. According to the Metro Orlando Economic Development Commission, the Orlando market is one of the fastest growing markets in Florida, both generally and for Hispanics in particular (mainly Puerto Rican). Management believes that owning and operating R-G Crown is a cost effective way to access the Hispanic markets in the United States, while providing a strong platform for further expansion in Florida.

We are currently in our 32nd year of operations and we operate our business through our subsidiaries. We provide a full range of banking services, including commercial banking services, corporate real estate and business lending, residential construction lending, consumer lending and credit cards, offer a diversified range of deposit products and, to a lesser extent, trust and investment services through our private banking department and our broker-dealer. We also provide a range of real estate secured lending activities, including the origination, servicing, purchase and sale of mortgages on single-family residences, the securitization and sale of various mortgage-backed and related securities and the holding and financing of mortgage loans and mortgage-backed and related securities for sale or investment and the purchase and sale of servicing rights associated with such mortgage loans.

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We have generally sought to achieve long-term financial strength and profitability by increasing the amount and stability of our net interest income and non-interest income. We have sought to implement this strategy by:

- expanding our retail banking franchise in order to achieve increased market presence and to increase core deposits;
- enhancing our net interest income by increasing our loans held for investment, particularly real estate secured loans, and investment securities;
- emphasizing the growth of our mortgage banking activities, including the origination and sale of mortgage loans, and growing our loan servicing operation;
- developing new business relationships through an increased emphasis on commercial real estate and commercial business lending;
- diversifying our retail products and services, including an increase in consumer loan originations;
- meeting the financial needs of our customers through, among other things, the offering of trust and investment services and insurance products;
- expanding our operations in the continental United States; and,
- emphasizing controlled growth, while pursuing a variety of acquisition opportunities when appropriate.

Our Class B Common Stock is traded on the New York Stock Exchange under the symbol RGF. Our principal executive offices are located at 280 Jesús T. Piñero Avenue, San Juan, Puerto Rico 00918 and our telephone number is (787) 758-2424.

USE OF PROCEEDS

Unless otherwise specified in the applicable prospectus supplement, we will use the proceeds from the sale of the securities described in this prospectus for general corporate purposes, and to support our ongoing and future anticipated growth. We expect to contribute most of the proceeds to one or more of our Puerto Rico and/or U.S. subsidiaries to bolster their capital for such future expansion or for their general working capital needs.

RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table shows the ratio of earnings to fixed charges and preferred stock dividends of our company, which includes our subsidiaries, on a consolidated basis. For purpose of computing the ratios of earnings to fixed charges, earnings represent income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle in 2001, plus fixed charges. Fixed charges represent total interest expense (including interest expense on securities sold under agreements to repurchase, Federal Home Loan Bank advances, trust preferred securities, and notes payable), dividend payments on our outstanding preferred stock and a reasonable approximation of the interest component of rental expense, and is presented both including and excluding interest on deposits.

	Six Months Ended June 30,		Year Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(Unaudited)						
Earnings to fixed charges and preferred stock dividends:							
Including interest on deposits	1.86x	1.70x	1.75x	1.56x	1.42x	1.29x	1.45x
Excluding interest on deposits	2.47x	2.24x	2.35x	2.03x	1.81x	1.54x	1.86x

DESCRIPTION OF DEBT SECURITIES

The debt securities will be our direct unsecured general obligations. The debt securities will be either senior debt securities or subordinated debt securities. The debt securities will be issued under separate indentures to be entered into between R&G Financial and Wilmington Trust Company. Senior debt securities will be issued under a senior debt indenture and subordinated debt securities will be issued under a subordinated debt indenture. The senior debt indenture and the subordinated debt indenture are sometimes referred to in this prospectus individually as an indenture and collectively as the indentures. The forms of the indentures have been filed with the SEC as exhibits to the registration statement of which this prospectus forms a part.

The following briefly summarizes the material provisions of the indentures and the debt securities, other than pricing and related terms disclosed in the accompanying prospectus supplement. The summary is not complete. Each particular debt security will have financial and other terms specific to it, and the specific terms of each debt security will be described in the applicable prospectus supplement. You should read the more detailed provisions of the applicable indenture for provisions that may be important to you. So that you can easily locate these provisions, the numbers in parenthesis below refer to sections in the applicable indenture or, if no indenture is specified, to sections in each of the indentures. Whenever particular sections or defined terms of the applicable indenture are referred to, such sections or defined terms are incorporated into this prospectus by reference, and the statement in this prospectus is qualified by that reference.

General

The senior debt securities will be unsecured and rank equally with all of R&G Financial's other senior and unsubordinated debt. The subordinated debt securities will be unsecured and will be subordinated to all of our Senior Indebtedness (as defined below under Subordination). In certain events of insolvency, the subordinated debt securities will also be subordinated to all of our Other Financial Obligations (as defined below under Subordination). As of June 30, 2004, R&G Financial had approximately \$8.0 billion of Senior Indebtedness and Other Financial Obligations outstanding.

A prospectus supplement relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

The title of the debt securities and whether the debt securities will be senior or subordinated debt;

The total principal amount of the debt securities;

The percentage of the principal amount at which the debt securities will be issued and any payments due if the maturity of the debt securities is accelerated;

The dates on which the principal of the debt securities will be payable;

Whether the debt security is a fixed-rate debt security, a floating-rate debt security or an indexed debt security, and also whether it is an original issue discount debt security;

If the debt security is a fixed-rate debt security, the rate at which the debt security will bear interest, if any, the regular record dates and the interest payment dates;

If the debt security is a floating-rate debt security, the interest rate basis; any applicable index, currency or maturity, spread or spread multiplier or initial, maximum or minimum rate; the interest reset, determination, calculation, record date and payment dates; and the calculation agent;

If the debt security is an original issue discount debt security, the yield to maturity;

If the debt security is an indexed debt security, the principal amount we will pay you at maturity, the amount of interest, if any, we will pay you on an interest payment date or the formula we will use to calculate these amounts, if any, and whether your debt security will be exchangeable for or payable in our stock;

Any mandatory or optional redemption provisions;

Any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the debt securities;

Any provisions granting special rights to holders when a specified event occurs;

Any changes to or additional events of defaults or covenants;

Any special tax implications of the debt securities, including provisions for original issue discount securities, if offered; and

Any other terms of the debt securities that are consistent with the provisions of the indentures.

The indentures do not limit the amount of debt securities that may be issued. Each indenture allows debt securities to be issued up to the principal amount that may be authorized by us and may be in any currency or currency unit designated by us. (Sections 3.01 and 3.03.)

The terms on which a series of debt securities may be converted into or exchanged for other securities of R&G Financial will be set forth in the prospectus supplement relating to each series. Such terms will include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at our option. The terms may include provisions pursuant to which the securities of R&G Financial to be received by the holders of such series of debt securities may be adjusted.

Denominations

Unless otherwise provided in the accompanying prospectus supplement, debt securities will be issued in registered form in denominations of \$1,000 each and any multiples thereof. (Section 3.02.)

Subordination

Under the subordinated debt indenture, payment of the principal, interest and any premium on the subordinated debt securities will generally be subordinated and junior in right of payment to the prior payment in full of all Senior Indebtedness (as defined below). The subordinated debt indenture provides that no payment of principal, interest or any premium on the subordinated debt securities may be made unless we pay in full the principal, interest, any premium or any other amounts on any Senior Indebtedness then due. Also, no payment of principal, interest or any premium on the subordinated debt securities may be made if there shall have occurred and be continuing an event of default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof, or if any judicial proceeding shall be pending with respect to any such default.

If there is any insolvency, bankruptcy, liquidation or other similar proceeding relating to us, then all Senior Indebtedness must be paid in full before any payment may be made to any holders of subordinated debt securities. If after payment of the Senior Indebtedness there remains any amounts available for distribution and any person entitled to payment pursuant to the terms of Other Financial Obligations has not been paid in full all amounts due or to become due on the Other Financial Obligations, then these remaining amounts shall first be used to pay in full the Other Financial Obligations before any payment may be made to the holders of subordinated debt securities. Holders of subordinated debt securities must deliver any payments received by them to the holders of senior indebtedness and Other Financial Obligations until all Senior Indebtedness and Other Financial Obligations are paid in full. (Subordinated debt indenture, Section 16.02.)

The subordinated debt indenture will not limit the amount of Senior Indebtedness and Other Financial Obligations that we may incur.

Senior Indebtedness means any of the following, whether incurred before or after the execution of the subordinated debt indenture:

(1) all obligations of R&G Financial for the repayment of borrowed money,

(2) all obligations of R&G Financial for the deferred purchase price of property, but excluding trade accounts payable in the ordinary course of business,

(3) all capital lease obligations of R&G Financial, and

(4) all obligations of the type referred to in clauses (1) through (3) of other persons that R&G Financial has guaranteed or that is otherwise its legal liability;

but Senior Indebtedness does not include:

(a) the subordinated debt securities; and

(b) indebtedness that by its terms is subordinated to, or ranks on an equal basis with, the subordinated debt securities.

Other Financial Obligations means all obligations of R&G Financial to make payment pursuant to the terms of financial instruments, such as:

(1) securities contracts and foreign currency exchange contracts,

(2) derivative instruments, including swap agreements, cap agreements, floor agreements, collar agreements, interest rate agreements, foreign exchange agreements, options, commodity futures contracts and commodity option contracts, and

(3) similar financial instruments;

but Other Financial Obligations does not include:

(a) Senior Indebtedness, and

(b) indebtedness that by its terms is subordinated to, or ranks on an equal basis with, the subordinated debt securities.

Consolidation, Merger or Sale

Each indenture generally permits a consolidation or merger between us and another corporation. They also permit us to sell all or substantially all of our property and assets. If this happens, the remaining or acquiring corporation shall assume all of our responsibilities and liabilities under the indentures including the payment of all amounts due on the debt securities and performance of the covenants in the indentures.

However, we will only consolidate or merge with or into any other corporation or sell all or substantially all of our assets according to the terms and conditions of the indentures. The remaining or acquiring corporation will be substituted for us in the indentures with the same effect as if it had been an original party to the indenture. Thereafter, the successor corporation may exercise our rights and powers under any indenture, in our name or in its own name. Any act or proceeding required or permitted to be done by our Board of Directors or any of our officers may be done by the board or officers of the successor corporation. If we merge with or into any other corporation or sell all or substantially all of our assets, we shall be released from all liabilities and obligations under the indentures and under the debt securities. (Sections 10.01 and 10.02.)

Modification of Indentures

Under each indenture, our rights and obligations and the rights of the holders may be modified with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of each series affected by the modification. No modification of the principal or interest payment terms, and no modification reducing the percentage required for modifications, is effective against any holder without its consent. (Sections 11.01 and 11.02.)

Events of Default

The senior debt indenture provides that an event of default regarding any series of senior debt securities will be any of the following:

failure to pay interest on any debt security of such series for 30 days;

failure to pay the principal or any premium on any debt security of such series when due;

failure to deposit any sinking fund payment when due by the terms of a debt security of such series;

failure to perform any other covenant in the indenture that continues for 90 days after being given written notice;

acceleration of the senior debt securities of any other series or any other indebtedness for borrowed money of R&G Financial, in each case exceeding \$5,000,000 in aggregate principal amount;

certain events involving bankruptcy, insolvency or reorganization of R&G Financial; or

any other event of default included in any indenture or supplemental indenture. (Section 5.01.)

The subordinated debt indenture provides that an event of default regarding any series of subordinated debt securities will occur only upon certain events involving bankruptcy, insolvency or reorganization of R&G Financial. A default in the payment of principal or interest or in the performance of any covenant or agreement in the subordinated debt securities of any series or in the subordinated indenture is not an event of default under the subordinated debt indenture and does not provide for any right of acceleration of the payment of principal of a series of subordinated debt securities. However, in the event of a default in the payment of principal or interest, the holder of any debt security shall have the right to institute a suit for the collection of such overdue payment.

An event of default for a particular series of debt securities does not necessarily constitute an event of default for any other series of debt securities issued under an indenture. The trustee may withhold notice to the holders of debt securities of any default (except in the payment of principal or interest) if it considers such withholding of notice to be in the best interests of the holders. (Section 6.02.)

If an event of default for any series of debt securities occurs and continues, the trustee or the holders of at least 25% in aggregate principal amount of the debt securities of the series may declare the entire principal of all the debt securities of that series to be due and payable immediately. If this happens, subject to certain conditions, the holders of a majority of the aggregate principal amount of the debt securities of that series can void the declaration. (Section 5.02.)

Other than its duties in case of a default, a trustee is not obligated to exercise any of its rights or powers under any indenture at the request, order or direction of any holders, unless the holders offer the trustee reasonable indemnity. (Section 6.01.) If they provide this reasonable indemnification, the holders of a majority in principal amount of any series of debt securities may direct the time, method and place of conducting any proceeding or any remedy available to the trustee, or exercising any power conferred upon the trustee, for each series of debt securities. (Section 5.12.)

Covenants

Under the indentures, we will agree to:

pay the principal, interest and any premium on the debt securities when due;

maintain a place of payment;

deliver a report to the trustee at the end of each fiscal year certifying as to the absence of events of default and to our compliance with the terms of the indentures; and

deposit sufficient funds with any paying agent on or before the due date for any principal, interest or any premium.

Payment and Transfer

Principal, interest and any premium on fully registered securities will be paid at designated places. Payment will be made by check mailed to the persons in whose names the debt securities are registered on days specified in the indentures or any prospectus supplement. Debt securities payments in other forms will be paid at a place designated by us and specified in a prospectus supplement. (Section 3.07.)

Fully registered securities may be transferred or exchanged at the corporate trust office of the trustee or at any other office or agency maintained by us for such purposes, without the payment of any service charge except for any tax or governmental charge. (Section 3.05.)

Global Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global certificates that will be deposited with a depository identified in a prospectus supplement. Unless it is exchanged in whole or in part for debt securities in definitive form, a global certificate may generally be transferred only as a whole unless it is being transferred to certain nominees of the depository. (Section 2.03.)

Unless otherwise stated in any prospectus supplement, The Depository Trust Company, New York, New York (DTC) will act as depository. Beneficial interests in global certificates will be shown on, and transfers of global certificates will be effected only through records maintained by DTC and its participants.

Defeasance

We will be discharged from our obligations on the senior debt securities of any series at any time if we deposit with the trustee sufficient cash or government securities to pay the principal, interest, any premium and any other sums due to the stated maturity date or a redemption date of the senior debt securities of the series. We must also deliver to the trustee an opinion of counsel to the effect that the holders of the senior debt securities of that series will have no federal income tax consequences as a result of such deposit. If this happens, the holders of the senior debt securities of the series will not be entitled to the benefits of the senior debt indenture except for registration of transfer and exchange of senior debt securities and replacement of lost, stolen or mutilated senior debt securities. (Senior debt indenture, Section 15.02.)

The subordinated debt indenture does not contain provisions for the defeasance and discharge of our obligations on the subordinated debt securities and the subordinated indenture.

The Trustee

Wilmington Trust Company will be the trustee under the indentures. It is also the trustee in connection with the issuance of trust preferred securities by R&G Capital Trust I in February 2002, R&G Capital Trust III in October 2003 and R&G Capital Trust V in March 2004. It is also contemplated that Wilmington Trust Company will serve as trustee in connection with the issuance of trust preferred securities, if any, by R&G Capital Trust VI, VII and VIII. The trustee and its affiliates may have other relations with R&G Financial in the ordinary course of business.

The occurrence of any default under either the senior debt indenture or the subordinated debt indenture could create a conflicting interest for the trustee under the Trust Indenture Act. If such default has not been cured or waived within 90 days after the trustee has or acquired a conflicting interest, the trustee would generally be required by the Trust Indenture Act to eliminate such conflicting interest or resign as trustee with respect to R&G Capital Trust I, R&G Capital Trust III, R&G Capital Trust V and R&G Capital Trust VI, VII and VIII, and the debt securities issued under the senior debt indenture or with respect to the subordinated debt securities issued under the subordinated debt indenture. In the event of the trustee's resignation, we shall promptly appoint a successor trustee with respect to the affected securities.

The Trust Indenture Act also imposes certain limitations on the right of the trustee, as a creditor of R&G Financial, to obtain payment of claims in certain cases, or to realize on certain property received in respect to any such claim or otherwise. The trustee will be permitted to engage in other transactions with us, provided

that if it acquires a conflicting interest within the meaning of Section 310 of the Trust Indenture Act, it must generally either eliminate such conflict or resign.

DESCRIPTION OF PREFERRED STOCK

General

This section of the prospectus describes the terms and provisions of our preferred stock. When we offer to sell a particular series of preferred stock, we will describe the specific terms of the securities in a supplement to this prospectus. The prospectus supplement will also indicate whether the terms and provisions described in this prospectus apply to the particular series of preferred stock. Each series of preferred stock will be issued under a certificate of designations, which will be filed with the SEC as an exhibit to a document incorporated by reference in this prospectus concurrently with the offering of such preferred stock. It is also subject to our Amended and Restated Certificate of Incorporation, which is filed as an exhibit to this registration statement of which this prospectus forms a part. For a description of R&G Financial's outstanding preferred stock, see Description of Capital Stock-Preferred Stock.

Our Amended and Restated Certificate of Incorporation authorizes us to issue 20,000,000 shares of preferred stock, par value \$.01 per share. Our Board of Directors is authorized to designate any series of preferred stock and the powers, preferences and rights of the preferred stock without further shareholder action. As of June 30, 2004, we had a total of 8,520,000 shares of preferred stock authorized, issued and outstanding consisting of 2,000,000 Series A shares, 1,000,000 Series B shares, 2,760,000 Series C shares and 2,760,000 Series D shares.

Our Board of Directors is authorized to determine or fix the following terms for each series of preferred stock, which will be described in a prospectus supplement:

the designation of such series and the number of shares to constitute such series and the stated value thereof if different from the par value thereof;

the voting rights, if any;

the dividend rate;

whether dividends are cumulative and, if so, the date from which dividends cumulate;

the payment date for dividends;

redemption rights, the applicable redemption prices and such other conditions of redemption;

amounts payable to holders on our liquidation, dissolution or winding up;

the amount of the sinking fund, if any;

whether the shares will be convertible or exchangeable, and, if so, the prices and terms or rate of conversion and such other terms and conditions of such conversion or exchange;

whether future shares of the series or any future series or other class of stock is subject to any restrictions, and, if so, the nature of the restrictions;

the conditions or restrictions, if any, upon the creation of indebtedness or upon the issuance of any additional stock; and

any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.

The preferred stock will be, when issued, fully paid and nonassessable. Holders of preferred stock will not have any preemptive or subscription rights to acquire more stock of R&G Financial.

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The transfer agent, registrar, dividend disbursing agent and redemption agent for shares of each series of preferred stock will be named in the prospectus supplement relating to such series.

The rights of holders of the preferred stock offered may be adversely affected by the rights of holders of any shares of preferred stock that may be issued in the future. The Board of Directors may cause shares of preferred stock to be issued in public or private transactions for any proper corporate purpose. Examples of proper corporate purposes include issuances to obtain additional financing in connection with acquisitions or otherwise, and issuances to our officers, directors and employees and our subsidiaries pursuant to benefit plans or otherwise.

Rank

Unless otherwise specified in the prospectus supplement relating to the shares of any series of preferred stock, such shares will rank on an equal basis with each other series of preferred stock and prior to the common stock as to dividends and distributions of assets.

Dividends

The holders of each series of preferred stock will be entitled to receive cash dividends if declared by our Board of Directors out of funds we can legally use for payment. The prospectus supplement will indicate the dividend rates and the dates on which we will pay dividends as to each series of preferred stock. The rates may be fixed or variable or both. If the dividend rate is variable, the formula used to determine the dividend rate will be described in the prospectus supplement. We will pay dividends to the holders of record of each series of preferred stock as they appear on the record dates fixed by our Board of Directors.

Our Board of Directors will not declare and pay a dividend on any series of preferred stock unless full dividends for all series of preferred stock ranking equal as to dividends have been declared or paid and sufficient funds are set aside for payment. If dividends are not paid in full, we will declare any dividends pro rata among the preferred stock of each series and any series of preferred stock ranking equal to any other series as to dividends. A pro rata declaration means that the dividends we declare per share on each series of preferred stock will bear the same relationship to each other that the full accrued dividends per share on each series of the preferred stock bear to each other.

Unless all dividends on the preferred stock of each series have been paid in full, we will not declare or pay any dividends or set aside sums for payment of dividends or distributions on any common stock or on any class of security ranking junior to a series of preferred stock, except for dividends or distributions paid for with securities ranking junior to the preferred stock. We also will not redeem, purchase, or otherwise acquire any securities ranking junior to a series of preferred stock as to dividends or liquidation preferences, except by conversion into or exchange for stock ranking junior to the series of preferred stock.

R&G Mortgage is a party to a warehousing loan agreement that imposes limitations on its ability to pay dividends to us. The warehousing loan agreement limits the aggregate amounts of cash dividends that R&G Mortgage may pay to us on its common stock during a fiscal year to 50% of its net income for the immediately preceding fiscal year. Furthermore, R&G Mortgage is prohibited from paying cash dividends to us if an event of default has occurred or the payment of such dividend would cause an event of default to occur under the warehousing loan agreement. We depend upon dividends from our subsidiaries, including R&G Mortgage, to make payments on our obligations, including our outstanding common stock and preferred stock.

Conversion or Exchange

The applicable prospectus supplement for any series of preferred stock will state the terms, if any, on which shares of that series are convertible into shares of another series of preferred stock or debt securities of R&G Financial.

If so determined by our Board of Directors, the holders of shares of preferred stock of any series may be obligated at any time or at maturity to exchange such shares for preferred stock of another series or debt securities of R&G Financial. The terms of any such exchange and any such preferred stock or debt securities will be described in the prospectus supplement relating to such series of preferred stock.

Redemption

If so specified in the applicable prospectus supplement, a series of preferred stock may be redeemable at any time, in whole or in part, at our option or the holder thereof and may be mandatorily redeemed.

Any partial redemptions of preferred stock will be made in a way that our Board of Directors decides is equitable.

Unless we default in the payment of the redemption price, dividends will cease to accrue after the redemption date on shares of preferred stock called for redemption and all rights of holders of such shares will terminate except for the right to receive the redemption price.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding up of R&G Financial, holders of each series of preferred stock will be entitled to receive distributions upon liquidation in the amount set forth in the prospectus supplement relating to such series of preferred stock. Such distributions will be made before any distribution is made on any securities ranking junior relating to liquidation, including common stock.

If the liquidation amounts payable relating to the preferred stock of any series and any other securities ranking on a parity regarding liquidation rights are not paid in full, the holders of the preferred stock of such series and such other securities will share in any such distribution of available assets of R&G Financial on a ratable basis in proportion to the full liquidation preferences. Holders of such series of preferred stock will not be entitled to any other amounts from R&G Financial after they have received their full liquidation preference.

Voting rights

The holders of shares of preferred stock will have no voting rights, except:

as otherwise stated in the prospectus supplement;

as otherwise stated in the certificate of designations establishing such series; or

as required by applicable law.

Under regulations adopted by the Federal Reserve Board, if the holders of the preferred stock of any series become entitled to vote for the election of directors because dividends on the preferred stock of such series are in arrears, preferred stock of such series could be deemed a class of voting securities. In this instance, a holder of 25% or more of the preferred stock of such series could then be subject to regulation as a bank holding company in accordance with the Bank Holding Company Act. A holder of 5% or more of such series that otherwise exercises a controlling influence over R&G Financial could also be subject to regulation under the Bank Holding Company Act. In addition, at any time a series of the preferred stock is deemed a class of voting securities, (1) any other bank holding company may be required to obtain the approval of the Federal Reserve Board to acquire or retain 5% or more of the outstanding shares of such series of preferred stock, and (2) any person other than a bank holding company may be required to file with the Federal Reserve Board under the Change in Bank Control Act to acquire or retain 10% or more of such series.

Section 12 of the Puerto Rico Banking Law requires that the Office of the Commissioner of Financial Institutions of Puerto Rico approve any change of control involving a bank organized under the Banking Law. The Banking Law requires that the Office of the Commissioner be informed not less than 60 days prior to any transfer of voting stock of a Puerto Rico bank that results in any person owning, directly or indirectly, more than 5% of the outstanding voting stock of the bank. For the purposes of Section 12 of the Banking Law, the term control means the power to, directly or indirectly, direct or influence decisively the administration or the norms of the bank.

Pursuant to the Banking Law, if the Office of the Commissioner receives notice of a proposed transaction that may result in a change of control of R&G Financial, the Office of the Commissioner is required to investigate and determine whether a change of control has occurred. The Office of the Commissioner will

issue an authorization for the transfer of control of Doral Financial if the results of its investigations are in its judgment satisfactory. The decision of the Office of the Commissioner is final and unreviewable.

DESCRIPTION OF CAPITAL STOCK

Common Stock

This section of the prospectus documents the terms and provisions of our common stock. When we offer to sell shares of our common stock, we will describe the specific terms of the offering and the shares in a supplement to the prospectus.

Our Amended and Restated Certificate of Incorporation authorizes us to issue 200,000,000 shares of common stock consisting of 80,000,000 Class A shares and 120,000,000 Class B shares, par value \$.01 per share. As of June 30, 2004, there were 51,102,420 shares of common stock issued and outstanding, consisting of 21,559,584 Class A shares (all of which are held by Mr. Victor J. Galán, our chairman and chief executive officer) and 29,542,836 Class B shares. Each Class A share is convertible into Class B shares at the rate of one Class B share for each Class A share so converted, at the discretion of the holder of Class A shares. The Amended and Restated Certificate of Incorporation of the Company requires the Company to at all times reserve and keep available out of its authorized but unissued Class B shares, solely for the purpose of issuance upon the conversion of Class A shares, such number of Class B shares as shall then be issuable upon the conversion of all outstanding Class B shares. The Class B shares do not carry any conversion rights and are otherwise not convertible into Class A shares.

Holders of Class A shares and Class B shares generally vote as a single class on all matters submitted to a vote of the stockholders. Each record holder of Class A shares is entitled to two votes per share and holders of Class B shares are entitled to one vote per share. The Class B shares are registered under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and trade on the New York Stock Exchange under the symbol RGF.

All outstanding common stock is, and any stock issued pursuant to this prospectus will be, fully paid and nonassessable. Subject to rights of preferred stockholders, holders of common stock

are entitled to any dividends validly declared; and

will share ratably in our net assets in the event of a liquidation.

The common stock issued pursuant to this prospectus will have no conversion rights. Holders of common stock have no preemptive, subscription, redemption, or call rights related to those shares.

American Stock Transfer & Trust Co. is the transfer agent and registrar for our common stock.

Preferred Stock

The general terms of our preferred stock are described above under Description of Preferred Stock. As of the date of this prospectus, we had outstanding four series of serial preferred stock described below.

Title of Series	Number of Shares Outstanding	Annual Dividend Rate(1)	Liquidation Preference Per Share(2)	Date First Redeemable(3)	Conversion or Exchange Rights(4)	General Voting Rights(5)
7.40% Non-cumulative Monthly Income Preferred Stock, Series A (the Series A shares)	2,000,000	7.40%	\$ 25	October 1, 2003	None	No
7.75% Non-cumulative Monthly Income Preferred Stock, Series B (the Series B shares)	1,000,000	7.75%	\$ 25	January 1, 2005	None	No
7.60% Non-cumulative Monthly Income Preferred Stock, Series C (the Series C shares)	2,760,000	7.60%	\$ 25	April 1, 2006	None	No
7.25% Non-cumulative Monthly Income Preferred Stock, Series D (the Series D shares)	2,760,000	7.25%	\$ 25	March 1, 2007	None	No

(1) Based on a percentage of the applicable liquidation preference per share.

(2) See Liquidation Rights below for additional information.

(3) See Redemption below for additional information.

(4) See Conversion Rights below for additional information.

(5) See Voting Rights below for additional information.

Dividend Rights and Limitations. The holders of the Series A shares, the Series B shares, the Series C shares and the Series D shares are entitled to receive non-cumulative cash dividends when, as and if declared by the Board of Directors, at their respective annual dividend rates payable monthly. The holders of the Series A shares, the Series B shares, the Series C shares and the Series D shares are entitled to receive such dividends prior to any payment of dividends or distribution of assets to holders of our common stock and to any other class of capital stock ranking junior to the Series A shares, the Series B shares, the Series C shares or the Series D shares with respect to the payment of dividends.

Liquidation Rights. Upon any liquidation, dissolution or winding up of us, whether voluntary or involuntary, the holders of the Series A shares, the Series B shares, the Series C shares and the Series D shares are entitled to receive out of our assets an amount in cash equal to their liquidation preference per share plus accrued and unpaid dividends thereon for the current monthly dividend period to the date of the distribution. This distribution must be made before any payment may be made to the holders of our common stock or any of our other securities ranking junior to the Series A shares, the Series B shares, the Series C shares or the Series D shares as to the distribution of assets upon liquidation. No distribution of this type or payment on account of any liquidation, dissolution or winding up of us may be made to the holders of the shares of any class or series of stock ranking on a parity with the Series A shares, the Series B shares, the Series C shares or the Series D shares as to the distribution of assets upon liquidation, unless the holders of the Series A shares, the Series B shares, the Series C shares or the Series D shares receive like amounts ratably in accordance with the full distributive amounts which they and the holders of parity stock are respectively entitled to receive upon this preferential distribution.

After the payment to the holders of the Series A shares, the Series B shares, the Series C shares and the Series D shares of the full preferential amounts provided for above, the holders of such shares will have no right or claim to any of our remaining assets.

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Redemption. The Series A shares are subject to redemption in whole or in part, at our option, subject to the approval of the Federal Reserve Board, if required by applicable law, commencing on or after October 1, 2003, and prior to September 30, 2004 at a price of \$26.00 per share and after this period, at redemption prices declining to a price of \$25.00 per share on or after October 1, 2006.

The Series B shares are subject to redemption in whole or in part, at our option, subject to the approval of the Federal Reserve Board, if required by applicable law, commencing on or after January 1, 2005, and prior to December 31, 2006 at a price of \$25.50 per share and after this period, at redemption prices declining to \$25.00 per share on or after January 1, 2007.

The Series C shares are subject to redemption in whole or in part, at our option, subject to the approval of the Federal Reserve Board, if required by applicable law, commencing on or after April 1, 2006, and prior to March 31, 2007 at a price of \$25.50 per share and after this period, at redemption prices declining to \$25.00 per share on or after April 31, 2008.

The Series D shares are subject to redemption in whole or in part, at our option, subject to the approval of the Federal Reserve Board, if required by applicable law, commencing on or after March 1, 2007, and prior to February 29, 2008 at a price of \$25.50 per share and after this period, at redemption prices declining to \$25.00 per share on or after March 1, 2009.

There is no mandatory redemption or sinking fund obligation with respect to any of the outstanding series of preferred stock.

Conversion Rights. The Series A shares, Series B shares, Series C shares and Series D shares are not convertible into, or exchangeable for any of our other securities.

Voting Rights. The holders of the Series A shares, the Series B shares, the Series C shares and the Series D shares are not entitled to any voting rights except (1) if we do not pay dividends in full on such series for 18 consecutive monthly dividend periods, (2) as required by law or (3) in connection with any changes of the terms or rights of the Series A shares, the Series B shares, the Series C shares or the Series D shares, as the case may be.

Relative Rank. The Series A shares, the Series B shares, the Series C shares and the Series D shares have the same rank as to the payment of dividends and as to the distribution of assets upon any liquidation, dissolution or winding up of us.

PLAN OF DISTRIBUTION

We may sell the securities described in this prospectus through agents, underwriters, dealers or directly to purchasers. Any such underwriters, dealers or agents may include our broker-dealer subsidiary, R-G Investments, Inc.

The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed from time to time, or at negotiated prices.

For each series of securities, the applicable prospectus supplement will set forth the terms of the offering including:

the initial public offering price;

the names of any underwriters, dealers or agents;

the purchase price of the securities;