

Howard Bancorp Inc  
Form S-3  
October 31, 2016

**As filed with the Securities and Exchange Commission on October 31, 2016**

**Registration No. 333-**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM S-3**

**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

**HOWARD BANCORP, INC.**

(Exact name of Registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of incorporation or organization)

**20-3735949**

(I.R.S. Employer Identification Number)

**6011 University Blvd, Suite 370**

**Ellicott City, Maryland 21043**

**(410) 750-0020**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Mary Ann Scully**

**President and Chief Executive Officer**

**Howard Bancorp, Inc.**

**6011 University Blvd., Suite 370**

**Ellicott City, Maryland 21043**

**(410) 750-0020**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With copies to:*

**Frank C. Bonaventure**

**Ober, Kaler, Grimes & Shriver, P.C.**

**100 Light Street**

**Baltimore, MD 21202**

**(410) 347-7305**

**(443) 263-7505 (Fax)**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement as determined by market conditions and other factors.

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: x

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. "

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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 effective registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

If this Form is a post-effective amendment to a registration statement pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

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

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

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered (1) (2) (3)	Proposed maximum offering price per unit (1) (2) (4)	Proposed maximum offering price (1) (2) (5) (6)	Amount of registration fee
Common Stock, par value \$0.01 per share				
Preferred Stock, par value \$0.01 per share				
Warrants to Purchase Common Stock or Preferred Stock				
Units				
Debt Securities				
<b>Total</b>	<b>\$ 50,000,000</b>		<b>\$ 50,000,000</b>	<b>\$ 5,795</b>

(1) An indeterminate number of securities of each identified class is being registered as may from time to time be offered at indeterminate prices, with an aggregate public offering price not to exceed \$50,000,000. If any debt securities are issued at an original issue discount, then the offering price of such debt securities shall be in such greater principal amount as shall result in an aggregate initial offering price not to exceed \$50,000,000 less the aggregate dollar amount of all securities previously issued hereunder. Any securities registered hereunder may be

sold separately or as units with other securities registered hereunder. The proposed maximum offering price per unit will be determined, from time to time, by the registrant in connection with the issuance by the registrant of the securities registered hereunder.

- (2) In accordance with General Instruction II.D to Form S-3 under the Securities Act of 1933 (the "Securities Act"), information as to each class of securities to be registered is not specified.  
The securities registered hereunder also include such indeterminate number of shares of common stock and preferred stock and amount of debt securities as may be issued upon conversion of or exchange for preferred stock or debt securities that provide for conversion or exchange, upon exercise of warrants or pursuant to the
- (3) anti-dilution provisions of any of such securities. In addition, pursuant to Rule 416 under the Securities Act, the shares being registered hereunder include such indeterminate number of shares of common stock and preferred stock as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions.
- (4) The proposed maximum offering price per class of security will be determined from time to time by the registrant in connection with, and at the time of, the issuance by the registrant of the securities registered hereunder.
- (5) Includes consideration to be received by the registrant for registered securities that are issuable upon exercise, conversion or exchange of other registered securities.
- (6) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457(o) under the Securities Act.

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

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

**Subject to Completion**

**Preliminary Prospectus dated October 31, 2016**

**PROSPECTUS**

**Howard Bancorp, Inc.**

**Common Stock**

**Preferred Stock**

**Warrants**

**Units**

**Debt Securities**

We may offer and sell from time to time, together or separately, in one or more offerings, any combination of the securities listed above. The securities we may offer may be convertible into or exchangeable for other securities. The maximum aggregate initial public offering price of the securities offered through this prospectus is \$50,000,000.

This prospectus provides a general description of these securities. We will provide the specific terms of the securities offered in supplements to this prospectus at the time we offer the securities. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement. The prospectus supplement and any related free writing prospectus may also add, update or change information contained in this prospectus. Please read this prospectus, the applicable prospectus supplement and any related free writing prospectus, as well as any documents incorporated by reference in this prospectus or any prospectus supplement, carefully before you invest in any of our securities.

The securities may be offered directly by us or by any selling security holder on a continuous or delayed basis, through agents designated from time to time by us, to or through dealers or underwriters, or directly to purchasers. The prospectus supplement for each offering of securities will describe in detail the plan of distribution for that offering. If any agents, dealers or underwriters are involved in the sale of any of the securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them will be set forth, or will be calculable from the information set forth, in the applicable prospectus supplement. See the sections of this prospectus entitled “About This Prospectus” and “Plan of Distribution” for more information. Net proceeds from the sale of securities will be set forth in the applicable prospectus supplement.

Our common stock is listed on The Nasdaq Stock Market, LLC under the symbol “HBMD.”

**The securities offered by this prospectus are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

**Investing in the securities offered by this prospectus involves risks. See “Risk Factors” referred to on page 4 of this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2016.

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No dealer, salesperson or other person has been authorized to give any information or to make any representations in connection with the offer made by this prospectus or any prospectus supplement or any free writing prospectus other than those contained in, or incorporated by reference in, this prospectus or any prospectus supplement or related free writing prospectus, and if given or made, such information or representations must not be relied upon as having been

authorized by us or any agent, underwriter or dealer. This prospectus, any prospectus supplement or any free writing prospectus does not constitute an offer to sell or a solicitation of any offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in such jurisdiction. The delivery of this prospectus, any prospectus supplement or any free writing prospectus or any sale of a security at any time does not imply that the information contained herein or therein is correct as of any time subsequent to their respective dates.



## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the “SEC”) using a “shelf” registration process. Under this shelf registration process, we may sell any combination of the securities described in this prospectus as being offered, from time to time in one or more offerings, up to a total dollar amount of \$50,000,000.

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 all of the terms of that offering. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to that offering. The applicable prospectus supplement (and any related free writing prospectus that we may authorize to be provided to you) may also add, update or change information contained in this prospectus or in the documents that we have incorporated by reference. This prospectus does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. You should read this prospectus and the applicable prospectus supplement and any related free writing prospectus together with additional information from the sources described in “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference” in this prospectus. You should not assume that the information in this prospectus, the prospectus supplements, any free writing prospectus or any document incorporated by reference is accurate as of any date other than the date of the applicable document.

**You should rely only on the information contained or incorporated by reference in this prospectus, any free writing prospectus and any prospectus supplement.** We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information contained in or incorporated by reference in this prospectus or a prospectus supplement is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since that date.

References to “we,” “us,” “our,” “Howard Bancorp” or the “Company” refer to Howard Bancorp, Inc. and its subsidiaries, unless the context otherwise requires. The term “you” refers to a prospective investor.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We may also include forward-looking statements

in other statements that we make.

Forward-looking statements include statements with respect to our belief, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions and future performance, including our growth strategy and expansion plans, including potential acquisitions. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

All statements that are not descriptions of historical facts are forward-looking statements. Forward-looking statements often use words such as “believe,” “expect,” “plan,” “may,” “will,” “should,” “project,” “contemplate,” “anticipate,” “forecast,” other words of similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts. Factors that could cause actual results and performance to differ from those expressed in any of our forward-looking statements include, but are not limited to, among others: those that may be set forth in any accompanying prospectus supplement and those included in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other factors described in our periodic reports we file with the SEC; deterioration in general economic conditions, either nationally or in our market area, or a return to recessionary conditions; competition among depository and other financial institutions; inflation and changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments; adverse changes in the securities markets; changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements; our ability to enter new markets successfully and capitalize on growth opportunities, and to otherwise implement our growth strategy; our ability to successfully integrate acquired entities, if any; changes in consumer spending, borrowing and savings habits; changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission and the Public Company Accounting Oversight Board; changes in our organization, compensation and benefit plans; the loss of key personnel; and changes in competitive, governmental, regulatory, technological and other factors that may affect us specifically or the banking industry generally. For a more complete discussion of some of these risks and uncertainties see “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2015, and in other filings we may make.

Our actual results and the actual outcome of our expectations and strategies could differ materially from those anticipated or estimated because of these risks and uncertainties and you should not put undue reliance on any forward-looking statements. All forward-looking statements speak only as of the date made and we undertake no obligation to update the forward-looking statements to reflect factual assumptions, circumstances or events that have changed after we have made the forward-looking statements.

## **WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC a registration statement on Form S-3 under the Securities Act for the securities being offered under this prospectus. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and accompanying exhibits. This prospectus contains descriptions of certain documents that are exhibits to the registration statement. The statements as to the contents of such exhibits, however, are brief descriptions and are not necessarily complete, and each statement is qualified in all respects by reference to such agreement or document. In addition, we are subject to the informational requirements of the Exchange Act. Accordingly, we file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that we may file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information about issuers that file electronically with the SEC. The address of the SEC's Internet site is <http://www.sec.gov>.

## **INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be a part of this prospectus, and the information we later file with the SEC that is incorporated by reference in this prospectus will automatically update information previously contained in this prospectus and any incorporated document. Any statement contained in this prospectus or in a document incorporated by reference in this prospectus will be deemed modified or superseded to the extent that a later statement contained in this prospectus or in an incorporated document modifies or supersedes such earlier statement.

This prospectus incorporates by reference the documents listed below that we have filed with the SEC (excluding any portion of these documents that has been furnished to and deemed not to be filed with the SEC):

**Report(s)**

**Period(s) of Report(s) or Date(s) Filed**

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- Annual Report on Form 10-K For the year ended December 31, 2015
- Quarterly Reports on Form 10-Q For the quarterly periods ended March 31, 2016 and June 30, 2016
- Current Reports on Form 8-K Filed on May 26, 2016 and June 6, 2016
- Description of common stock included in Registration Statement on Form 8-A Filed on April 2, 2012, and including any amendment or report filed to update such description

We also incorporate by reference any future documents we may file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, excluding any document or portion thereof that has been furnished to and deemed not to be filed with the SEC.

These documents are available without charge to you on the Internet at [www.howardbank.com](http://www.howardbank.com) or if you call or write to: George C. Coffman, Executive Vice President, Chief Financial Officer and Treasurer, Howard Bancorp, Inc., 6011 University Blvd., Suite 370, Ellicott City, Maryland 21043, telephone: (410) 750-0020. The reference to our website is not intended to be an active link and the information on our website is not, and you must not consider the information to be, a part of this prospectus.

We have also filed a registration statement with the SEC relating to the securities offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information presented or incorporated by reference in the registration statement and its exhibits. You may obtain from the SEC a copy of the registration statement and exhibits that we filed with the SEC as described above. The registration statement may contain additional information that may be important to you.

## **HOWARD BANCORP, INC.**

Howard Bancorp, Inc. was incorporated in April 2005 under the laws of the State of Maryland to serve as the bank holding company of Howard Bank. The Company's primary business is owning all of the capital stock of Howard Bank. In addition to regulation of the Bank, as a bank holding company registered under the Bank Holding Company Act of 1956, we are subject to regulation and review by the Board of Governors of the Federal Reserve (the "FRB").

Howard Bank is a trust company chartered under Subtitle 2 of Title 3 of the Financial Institutions Article of the Annotated Code of Maryland. The Bank was formed in March 2004 and commenced banking operations on August 9, 2004. Howard Bank has chosen, for the time being, not to seek and exercise trust powers, and our business, powers and regulatory structure are the same as a Maryland-chartered commercial bank. The Bank is subject to regulation, supervision and regular examination by the Maryland Commissioner of Financial Regulation and the Federal Deposit Insurance Corporation ("FDIC"), and our deposits are insured by the FDIC. The Bank has four operating subsidiaries, three of which hold foreclosed real estate and the other of which owns and manages real estate that we use for one of our branch locations and that also contains office and retail space.

Howard Bank is headquartered in Ellicott City, which is located in Howard County, Maryland. The Bank has branches in Howard County as well as in Anne Arundel County, Baltimore County, Baltimore City, Cecil County and Harford County in Maryland. We engage in a general commercial banking business, making various types of loans and

accepting deposits. We market our financial services to small and medium sized businesses and their owners, professionals and executives, high-net-worth individuals (the “mass affluent”) and consumers generally.

Our core business strategy involves delivering advice and superior customer service to clients through local decision makers. We combine the Bank’s specialized focus on both local markets and small and medium-sized business related market segments with a broad array of products, new technology and seasoned banking professionals to position the Bank differently from most competitors. Our experienced executives establish a relationship with each client and bring value to all phases of a client’s business and personal banking needs. To develop this strategy, we have established long-standing relationships with key customers in the community and with local business leaders who can create business opportunities. Since opening our residential lending division in 2014, we have extended our focus to residential mortgage lending as well.

Our primary source of revenue is net interest income, with fees generated by lending, mortgage banking and depository service charges constituting a smaller, but growing, percentage of revenues. We have positioned the balance sheet to hold a high percentage of earning assets and, in turn, to have those earning assets dominated by loans rather than investment securities. Generally speaking, loans earn more attractive returns than investments and are a key source of product cross sales and customer referrals. Certain economic conditions may favor investments over loans, such as poor corporate earnings, downturns in real estate cycles and other general slowing economic conditions. At all times, our loan and investment strategies seek to balance the need to maintain adequate liquidity via excess cash or federal funds sold with opportunities to appropriately leverage our capital.

Our principal executive offices are located at 6011 University Blvd., Suite 370, Ellicott City, Maryland 21043 and our telephone number is (410) 750-0020.

## **RISK FACTORS**

An investment in our securities involves a high degree of risk. Prior to making a decision about investing in our securities, you should carefully read and consider the risks, uncertainties and assumptions discussed under Item 1A, “Risk Factors,” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and any updates described in our subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are incorporated herein by reference and may be amended, supplemented or superseded from time to time by other reports we file with the Commission in the future, together with information in this prospectus and any other information incorporated by reference into this prospectus. See the section of this prospectus entitled “Where You Can Find More Information.” The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also affect our business and operations. If any of the risks described in our SEC filings or any prospectus supplement or any additional risks actually occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In that case, the value of our securities could decline substantially and you could lose all or part of your investment in the offered securities.

## **USE OF PROCEEDS**

We will retain broad discretion over the use of the net proceeds from the sale of the securities offered hereby. Unless otherwise specified in the applicable prospectus supplement or any related free writing prospectus, we currently expect to use the net proceeds of our sale of securities for general corporate purposes.

General corporate purposes may include, among other purposes: contribution to the capital of our bank subsidiary to support its lending and investing activities; repayment of our debt; redemption of our capital stock; to support or fund acquisitions of other institutions or branches as and if opportunities for such transactions become available; and other permitted activities. We may temporarily invest funds that we do not immediately need for these purposes in investment securities or use them to make payments on our borrowings.

## **RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS**

The following table sets forth our historical consolidated ratio of earnings to fixed charges and preferred dividends on a consolidated basis for the periods shown. On September 22, 2011, we issued 12,562 shares (\$12,562,000) of our Senior Non-Cumulative Perpetual Preferred Stock, Series AA (the “Series AA Preferred Stock”), to the U.S. Department of the Treasury (“U.S. Treasury”) pursuant to its Small Business Lending Fund (the “SBLF”). On May 6, 2016, we paid the U.S. Treasury \$12,562,000 to redeem the Series AA Preferred Stock.

Prior to that, on February 27, 2009, pursuant to the Capital Purchase Program under Troubled Asset Relief Program implemented pursuant to the Emergency Economic Stabilization Act of 2008, we had issued to the U.S. Treasury, for an aggregate purchase price of \$5,983,000, (i) 5,983 shares of our Fixed Rate Cumulative Preferred Stock, Series A (the "Series A Preferred Stock"), having a liquidation amount per share equal to \$1,000 and (ii) a warrant to purchase 299.29930 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series B (the "Series B Preferred Stock"), having a liquidation amount per share equal to \$1,000, for an exercise price of \$0.01 per share, which was immediately exercised for 299 shares of Series B Preferred Stock. As part of, and as required by, the SBLF investment transaction, we redeemed the Series A Preferred Stock and Series B Preferred Stock we had issued to Treasury pursuant to the TARP Capital Purchase Program with the proceeds of the SBLF program described above, for an aggregate of \$6.3 million (for a net investment of \$6.2 million).

For purposes of determining the ratio of earnings to combined fixed charges and preferred dividends, earnings are defined as (a) the sum of pre-tax income from continuing operations and fixed charges. Fixed charges means the sum of interest expensed and capitalized.



	Six months ended June 30, 2016 (Unaudited)	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
Ratio of earnings to fixed charges:	\$ 2.86	\$ 1.69	\$ 8.19	\$ 2.55	\$ 2.38	\$ 2.21
Ratio of earnings to fixed charges and preferred dividends	\$ 2.86	\$ 1.69	\$ 8.19	\$ 2.55	\$ 2.38	\$ 2.21

## THE SECURITIES WE MAY OFFER

The securities that we may offer from time to time through this prospectus are:

· common stock;

· preferred stock, which we may issue in one or more series;

· warrants entitling the holders to purchase common stock or preferred stock;

· units; and

· debt securities, which we may issue in one or more series.

We will describe in a prospectus supplement that we will deliver with this prospectus the terms of particular securities that we may offer in the future. This prospectus may not be used to offer or sell any securities unless accompanied by a prospectus supplement. In each prospectus supplement we will include, if relevant and material, the following information:

· the type and amount of securities that we propose to sell;

· the offering price of the securities;

· maturity provisions;

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redemption, conversion, exercise, exchange, transfer, settlement or sinking fund terms, if any;

conversion, exchange or settlement prices or rates, if any, and, if applicable, any provisions for changes to or adjustments in the conversion, exchange or settlement prices or rates and in the securities or other property receivable upon conversion, exchange or settlement;

ranking;

voting or other rights, if any;

the names of the underwriters, agents or dealers, if any, through or to which we or any selling securityholder will sell the securities;

compensation, if any, of those underwriters, agents or dealers;

details regarding over-allotment options, if any;

the net proceeds to us;

information about any securities exchange or automated quotation system on which the securities will be listed or traded;

· the material United States federal income tax considerations applicable to the securities;

· any material risk factors associated with the securities; and

· any other material information about the offer and sale of the securities.

In addition, the applicable prospectus supplement and any related free writing prospectus may add, update or change the information contained in this prospectus or in the documents we have incorporated by reference.

## **DESCRIPTION OF OUR COMMON STOCK**

*The following description sets forth certain general terms and provisions of our common stock. The statements below describing the common stock are in all respects subject to and qualified in their entirety by reference to the applicable provisions of our articles of incorporation (“articles”) and bylaws.*

### **General**

Howard Bancorp is currently authorized to issue 10,000,000 shares of common stock, par value \$0.01 per share. As of October 31, 2016, we had 6,991,072 shares of common stock issued and outstanding. Subject to all rights of holders of any other class or series of stock, holders of common stock are entitled to receive dividends if and when the board of directors declares dividends from funds legally available therefor. In addition, holders of common stock share ratably in the net assets of Howard Bancorp upon the voluntary or involuntary liquidation, dissolution or winding up of Howard Bancorp, after distributions are made to anyone with more senior rights.

Under Maryland law, Howard Bancorp is not permitted to pay dividends if, as a result, it would be unable to pay its debts as they come due in the ordinary course of business or its total assets would be less than the sum of its total liabilities plus the amount that would be needed, if it were to be dissolved at the time the dividend is paid, to satisfy the preferential rights on dissolution of any stockholders whose preferential rights on dissolution are superior to those stockholders receiving the dividend.

In general, each outstanding share of common stock entitles the holder to vote for the election of directors and on all other matters requiring stockholder action, and each share is entitled to one vote. Holders of common stock have no conversion, sinking fund or redemption rights. Holders of our common stock have no preemptive rights to purchase additional shares of common stock.

Our articles grant to our board of directors the right to classify or reclassify any unissued shares of common stock from time to time by setting or changing the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption. Accordingly, our board of directors could authorize the issuance of additional shares of common stock with terms and conditions that could have the effect of discouraging a takeover or other transaction which the holders of some, or a majority, of shares of common stock might believe to be otherwise in their best interests or in which the holders of some, or a majority, of shares of common stock might receive a premium for their shares of common stock over the then market price of such shares. As of the date hereof, our board of directors has no plans to classify or reclassify any unissued shares of common stock.

### **Restrictions on Ownership**

The Bank Holding Company Act requires any “bank holding company,” as defined in the Bank Holding Company Act, to obtain the approval of the FRB before acquiring 5% or more of our common stock. Any person, other than a bank holding company, is required to obtain the approval of the FRB before acquiring 25% or more of our voting stock and in certain circumstances, more than 10% of our voting stock.

## **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Computershare Trust Company, NA. The common stock is listed on The NASDAQ Stock Market, LLC under the symbol "HBMD."

## **DESCRIPTION OF OUR PREFERRED STOCK**

We are authorized to issue 5,000,000 shares of preferred stock, par value \$0.01 per share. We had previously issued to the U.S. Treasury 12,562 shares of our Series AA Preferred Stock, 5,983 shares of our Series A Preferred Stock and 299 shares of our Series B Preferred Stock, all of which have been redeemed. As a result, pursuant to our articles our board of directors has the power to authorize the issuance of up to 5,000,000 shares of our preferred stock, without stockholder approval, in one or more series or without series. Prior to issuance of shares of each series of preferred stock, the board of directors is required to fix for each series the designation, preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption. As discussed below under "Certain Anti-Takeover Provisions," the board of directors could authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of discouraging a takeover or other transaction that some of our stockholders might believe to be in their best interests or in which they might receive a premium for their shares of common stock over the market price of such shares.

As of the date of this prospectus, no shares of preferred stock are outstanding.

Prior to the issuance of preferred stock, we will amend our articles by filing articles supplementary, which will designate the series of preferred stock, if any, and the number of shares and terms of such preferred stock. The issuance of any preferred stock could adversely affect the rights of holders of common stock and, therefore, reduce the value of the common stock.

The terms of any preferred stock sold pursuant to the registration statement of which this prospectus is a part will be described in the applicable prospectus supplement (and any applicable free writing prospectus) relating to the offering of such preferred stock, including, where applicable:

title and stated or liquidation value;

the number of shares offered and the initial offering price;

voting rights and other protective provisions;

any dividend rate(s), payment period(s) and/or payment date(s) or method(s) of calculation of any of those terms that apply to those shares;

the date from which dividends will accumulate, if applicable;

the terms and amount of a sinking fund, if any, for purchase or redemption;

redemption rights, including conditions and the redemption price(s), if applicable;

the terms and conditions upon which shares will be convertible into common stock or any other securities, including the conversion price, rate or other manner of calculation, conversion period and anti-dilution provisions, if applicable;

the terms and conditions upon which shares will be exchangeable for debt securities or any other securities, including the exchange price, rate or other manner of calculation, exchange period and any anti-dilution provisions, if applicable;

the relative ranking and preference as to dividend rights and rights upon liquidation, dissolution or the winding up of our affairs, including liquidation preference amount;

any limitation on issuance of any series of preferred stock ranking senior to or on a parity with that series of preferred stock as to dividend rights and rights upon liquidation, dissolution or the winding up of our affairs;

the condition and restrictions, if any, on the payment of dividends or on the making of other distributions on, or the purchase, redemption or other acquisition by us or any subsidiary, of the common stock or any other class of our shares ranking junior to such shares as to dividends or upon liquidation;

the conditions and restrictions, if any, on the creation of indebtedness of us or any subsidiary, or on the issuance of any additional stock ranking on a parity with or prior to such shares as to dividends or upon liquidation; and

any other specific terms, preferences, rights, privileges, limitations or restrictions.

The transfer agent and registrar for the preferred stock will be set forth in the applicable prospectus supplement.

## **DESCRIPTION OF WARRANTS**

We may issue warrants for the purchase of common stock or preferred stock and may issue warrants independently or together with common stock, preferred stock or debt securities or attached to or separate from such securities, in one or more series. If we offer warrants, we will describe the terms in a prospectus supplement (and any free writing prospectus). Warrants may be offered independently, together with other securities offered by any prospectus supplement, or through a dividend or other distribution to stockholders and may be attached to or separate from other securities. Warrants may be issued under a written warrant agreement to be entered into between us and the holder or beneficial owner, or under a written warrant agreement with a warrant agent specified in a prospectus supplement. A warrant agent would act solely as our agent in connection with the warrants of a particular series and would not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of those warrants.

The applicable prospectus supplement will describe the terms of the warrants in respect of which this prospectus is being delivered, including, where applicable, the following:

title of the warrants;

the aggregate number of warrants;

the price or prices at which the warrants will be issued;

the designation, number, aggregate principal amount, denominations and terms of the securities that may be purchased on exercise of the warrants;

the designation and terms of the other securities, if any, with which the warrants are issued and the number of the warrants issued with each such offered security;

the date, if any, on and after which the warrants and the securities offered with the warrants, if any, will be separately transferable;

the purchase price for each security purchasable on exercise of the warrants;



- the dates on which the right to purchase certain securities upon exercise of the warrants will begin and end;
    - the periods during which and places at which such warrants are exercisable;
  - the minimum or maximum amount of the warrants that may be exercised at any one time;
    - any anti-dilution protection provisions;
  - the provisions, if any, for changes to or adjustments in the exercise price of the warrants;
    - the terms of any right that we may have to redeem or call the warrants;
  - the currency or currencies in which such warrants are exercisable, if other than U.S. dollars;
- the effect of any merger, consolidation, sale or other transfer of our business on the warrants and the applicable warrant agreement;
- the name and address of the warrant agent, if any;
  - whether the warrants will be issued in certificated or book-entry form; and
- any other material terms, including terms, procedures and limitations relating to the transferability, exchange, exercise or amendment of such warrants.

Until any warrants to purchase our securities are exercised, holders of the warrants will not have any rights of holders of the underlying securities.

## **DESCRIPTION OF UNITS**

We may issue units consisting of two or more other constituent securities. These units may be issuable, and for a specified period of time may be transferable, only as a single security, rather than as the separate constituent securities comprising such units. If we offer units, we will describe the terms in a prospectus supplement (and any free writing

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prospectus). Units may be issued under a written unit agreement to be entered into between us and the holder or beneficial owner, or we could issue units under a written unit agreement with a unit agent specified in a prospectus supplement. A unit agent would act solely as our agent in connection with the units of a particular series and would not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of those units.

Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security.

The following are some of the unit terms that could be described in a prospectus supplement:

· the title of the units;

· the aggregate number of units offered;

· identification and description of the separate constituent securities comprising the units;

· the price or prices at which the units will be issued;

· the date, if any, on and after which the constituent securities comprising the units will be separately transferable;

the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;

the effect of any merger, consolidation, sale or other transfer of our business on the units and the applicable unit agreement;

any provisions for the issuance, payment, settlement, transfer or exchange of the units or the securities comprising those units;

the name and address of the unit agent, if any;

whether the units will be issued in certificated or book-entry form; and

any other material terms of the units and their constituent securities, including procedures and limitations relating to the transferability, exchange, exercise or amendment of such units and the constituent securities comprising the units.

The provisions described in this section, as well as those described under “Description of Our Common Stock,” “Description of Our Preferred Stock,” “Description of Warrants” and “Description of Debt Securities” will apply to each unit and to any common stock, preferred stock, warrant or debt security included in each unit, respectively.

Unless otherwise provided in the applicable prospectus supplement, any unit agreements will be governed by the laws of the State of Maryland. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date. We will file as an exhibit to a filing with the SEC that is incorporated by reference into this prospectus the forms of any unit agreements containing the terms of the units being offered. The description of units in any prospectus supplement (or free writing prospectus) will not necessarily describe all of the terms of the units in detail. You should read the applicable unit agreement for a complete description of all of the terms of any unit offered.

## **DESCRIPTION OF DEBT SECURITIES**

We may issue debt securities from time to time in one or more series. If we offer debt securities, we will describe the terms in a prospectus supplement (and any free writing prospectus). We may issue senior, senior subordinated or subordinated debt securities under one or more separate indentures, which may be supplemented or amended from time to time. Senior debt securities will be issued under a senior indenture, senior subordinated debt securities will be issued under a senior subordinated indenture, and subordinated debt securities will be issued under a subordinated

indenture. The senior debt indenture, senior subordinated debt indenture and the subordinated debt indenture are referred to individually in this prospectus as the “indenture” and collectively as the “indentures.” Any indenture will be subject to and governed by the Trust Indenture Act of 1939, as amended, and may be supplemented or amended from time to time following their execution.

We are a holding company and conduct substantially all of our operations through subsidiaries. As a result, claims of holders of the debt securities will generally have a junior position to claims of creditors of our subsidiaries (including Howard Bank), except to the extent that we may be recognized