

ELLIE MAE INC
 Form 424B5
 August 04, 2016

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**Filed Pursuant to Rule 424(b)(5)
 Registration No. 333-212810**

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered(1)	Maximum Offering Price Per Share	Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Common Stock, \$0.0001 par value per share	3,162,500	\$90.00	\$284,625,000.00	\$28,661.74

(1) Includes shares of Common Stock that may be purchased by the underwriters pursuant to their option to purchase additional shares of Common Stock.

(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and relates to the Registration Statement on Form S-3 (File No. 333-212810) filed by the Registrant on August 1, 2016.

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Prospectus Supplement to Prospectus dated August 1, 2016

2,750,000 Shares

Ellie Mae, Inc.

Common Stock

We are offering 2,750,000 shares of our common stock.

Our common stock is traded on the New York Stock Exchange under the symbol "ELLI." The last reported sale price of our common stock on August 3, 2016, as reported on the New York Stock Exchange, was \$92.52 per share.

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described under "Risk Factors" on page S-7 of this prospectus supplement before making a decision to invest in our common stock.

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

	Per Share	Total
Offering price	\$90.00	\$247,500,000
Underwriting discount(1)	\$4.05	\$11,137,500
Proceeds, before offering expenses, to Ellie Mae	\$85.95	\$236,362,500

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See "Underwriting."

To the extent that the underwriters sell more than 2,750,000 shares of our common stock, the underwriters have the option to purchase from us up to an additional 412,500 shares at the offering price less the underwriting discount.

The underwriters expect to deliver the shares of common stock against payment in New York, New York on or about August 9, 2016.

J.P. Morgan

Morgan Stanley

Barclays

JMP

Needham &

Oppenheimer

Roth Capital

Securities

Company

& Co.

Partners

Prospectus Supplement dated August 3, 2016

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Unless we have indicated otherwise, references in this prospectus supplement to "Ellie Mae," "Company," "we," "us," "our" and similar terms refer to Ellie Mae, Inc. and its subsidiaries.

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, as modified and superseded pursuant to Rule 412 under the Securities Act of 1933, as amended. Neither we nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell the securities in any jurisdiction where the offer or sale is not permitted or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. You should not assume that the information in this prospectus supplement, the accompanying prospectus, any document incorporated by reference and any related free writing prospectus that we authorized to be delivered to you is accurate or complete as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since the applicable dates.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer to "this prospectus," we are referring to both parts of this document combined. In this prospectus supplement, as permitted by law, we "incorporate by reference" information from other documents that we file with the U.S. Securities and Exchange Commission, or the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information included or incorporated by reference into this prospectus supplement is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between the information contained in this prospectus supplement and information in the accompanying prospectus or incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of the common stock offered by this prospectus supplement. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, or the Securities Act, with respect to the common stock offered by this prospectus supplement. This prospectus supplement, filed as part of the registration statement, does not contain all the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us, we refer you to the registration statement and to its exhibits and schedules.

We file annual, quarterly and current reports and other information with the SEC. You may read and copy any materials we file at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. The SEC also maintains an internet website at www.sec.gov that contains periodic and current

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reports, proxy and information statements, and other information regarding registrants that are filed electronically with the SEC.

These documents are also available, free of charge, through the Investor Relations section of our website, which is located at www.elliemae.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information on our website to be part of this prospectus supplement or the accompanying prospectus.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, including the documents incorporated or deemed to be incorporated by reference into this prospectus supplement and accompanying prospectus, may include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial performance, future revenues, future profitability, future products and services, projected costs, expectations regarding demand and acceptance of our products and services, growth opportunities, our reputation, future economic conditions, trends in the market in which we operate, the plans and objectives of management and the statements set forth in the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and in our other filings with the SEC.

The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation:

outages and other system interruptions in the Ellie Mae Network service, our hosted Encompass software and any related impact on our reputation;

fluctuations in mortgage lending volume;

the volume of mortgages originated by our Encompass users;

the impact of changes in mortgage interest rates;

changes in mortgage originator, lender, investor or service provider behavior and any related impact on the residential mortgage industry;

our ability to accurately forecast revenues and appropriately plan our expenses; the number of Encompass users, including contracted SaaS Encompass users;

the effectiveness of our marketing and sales efforts to attract new and retain existing SaaS Encompass users and Ellie Mae Network participants;

transaction volume on the Ellie Mae Network;

the level of demand for our Encompass Docs Solution, our Encompass Product and Pricing Service and other services we offer;

the level of adoption of our Total Quality Loan program;

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the timing of the introduction and acceptance of new Ellie Mae Network offerings and new on-demand services;

our ability to protect the confidential information of our Encompass users, Ellie Mae Network participants and their respective customers;

customer renewal and upgrade rates; the increased time, cost and complexity that may be required to successfully target larger customers;

our ability to scale our operations and increase productivity to support our existing and growing customer base;

our ability to successfully manage our growth and any future acquisitions of businesses, solutions or technologies;

the risk that the anticipated benefits and growth prospects expected from our recent acquisitions may not be fully realized or may take longer to realize than expected;

the timing of future acquisitions of businesses, solutions or technologies and new product launches;

the impact of uncertain domestic and worldwide economic conditions, including the resulting effect on residential mortgage volumes;

changes in government regulation affecting Ellie Mae Network participants or our business, and potential structural changes in the U.S. residential mortgage industry;

the attraction and retention of qualified employees and key personnel;

our ability to compete effectively in a highly competitive market and adapt to technological changes;

our ability to enhance the features and functionality of our Encompass software and the Ellie Mae Network including the development and successful deployment of our next generation Encompass platform;

our ability to protect our intellectual property, including our proprietary Encompass software;

costs associated with defending intellectual property infringement and other claims; our ability to maintain effective internal controls;

the risk of natural and man-made catastrophic interruptions to our business; and

the risks set forth in the section captioned "Risk Factors" in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and in our other filings with the SEC. We do not assume any obligation to update any forward-looking statements, except as required by law.

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Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law, you are advised to consult any additional disclosures we make in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. See "Where You Can Find More Information."

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary sets forth the material terms of this offering, but does not contain all of the information you should consider before investing in our common stock. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, before making an investment decision to purchase our common stock, especially the risks of investing in our common stock discussed in the section titled "Risk Factors" in this prospectus supplement as well as the consolidated financial statements and notes to those consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus.

ELLIE MAE, INC.

We are a leading provider of innovative on-demand software solutions and services for the residential mortgage industry in the United States. Our Encompass all-in-one mortgage management solution provides one system of record that allows banks, credit unions and mortgage lenders to originate and fund mortgages and improve compliance, loan quality and efficiency. At June 30, 2016, approximately 153,000 mortgage professionals used Encompass for their mortgage management solution.

Our Encompass software is an all-in-one, comprehensive enterprise solution that handles most of the functions involved in running the business of originating mortgages including: customer relationship management; loan processing; underwriting; preparation of mortgage applications, disclosure agreements and closing documents; funding and closing the loan for the borrower; compliance with regulatory and investor requirements and overall enterprise management that provides one system of record for loans. Delivery of our Encompass software in an on-demand Software-as-a-Service, or SaaS, environment provides customers with the added benefits of lower up front implementation costs and reduced need for an infrastructure of servers, storage and network devices and the staff needed to support the infrastructure. Moreover, SaaS Encompass provides access to the most current version of the software, including periodic upgrades and regulatory updates. We also host the Ellie Mae Network, a proprietary electronic platform that allows Encompass users to conduct electronic business transactions with investors and service providers with whom they work in order to process and fund loans.

For mortgage originators, Encompass is a comprehensive mortgage management system that handles key business and management functions involved in running a residential mortgage origination business. Mortgage originators use Encompass as a single tool for loan processing, marketing and customer communication and to interact electronically with lenders, investors and service providers over the Ellie Mae Network. We also offer Encompass users a variety of other on-demand software services, including:

Encompass CenterWise, which is a bundled offering of electronic document management;

Encompass WebCenter and Encompass TPO WebCenter, which are websites used for customer relationship management;

Encompass Compliance Service, which is a service that automatically checks for compliance with federal, state and local regulations throughout the origination process;

Encompass Docs Solution, which is a service that automatically prepares the disclosure and closing documents necessary to fund a mortgage;

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Encompass CRM, which offers a suite of sales and marketing tools for managing contacts, leads and marketing campaigns;

Encompass Product and Pricing Service, which allows Encompass users to compare loans offered by different lenders and investors to determine appropriate mortgage programs available to a particular borrower;

Encompass Flood Service, which allows Encompass users to order and transfer flood zone certifications;

Encompass Consumer Direct, which is a web-based tool that allows borrowers to complete a loan application online;

Total Quality Loan, which offers the following suite of services:

Encompass Fraud Service, which enables fraud detection, valuation, validation and risk analysis services using streamlined workflows and processing rules;

Encompass 4506-T, a tax transcript service which provides income verification capability to our customers; and

Encompass Appraisal Service, a service for ordering and managing appraisals.

For the lenders, investors and service providers on the Ellie Mae Network, we provide electronic connectivity that allows them to do business with mortgage origination professionals using Encompass.

Mortgage originators pay for SaaS Encompass in one of two models: recurring monthly subscription fees or monthly fees based on the number of licensed users and mortgages funded, which we refer to as Success Based Pricing. Our additional services are paid on a subscription or transaction basis. Lenders and service providers participating in the Ellie Mae Network also pay us fees, generally on a per transaction basis, for transactions processed through the Ellie Mae Network from Encompass users.

Under the AllRegs brand, our research and reference products include single and multifamily underwriting and insuring guidelines as well as libraries of federal and state laws and regulations, and we are the exclusive electronic publisher of the Fannie Mae and Freddie Mac Single and Multi-Family Seller/Service Guides and The Federal Home Loan Banks' MPF Program Guidelines. Our educational division, AllRegs Academy, offers courses related to the mortgage industry, including self-paced training, instructor-led online courses, webinars or live classroom training and certified continuing education classes for state licensed mortgage originators. In addition, through the AllRegs brand, we offer documentation and learning management solutions to facilitate our customers' mortgage lending compliance, as well as data and analytics services relating to investor loan products.

Founded in 1997 as a California corporation, we were reincorporated as a Delaware corporation in November 2009. We completed our initial public offering in April 2011, and our common stock is listed on the New York Stock Exchange under the symbol "ELLI." Our mailing address and executive offices are located at 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588, and our telephone number at that address is (925) 227-7000. Our website address is www.elliemae.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information on our website to be part of this prospectus supplement or the accompanying prospectus.

The "Ellie Mae," "Encompass," "AllRegs", and other trademarks or service marks of Ellie Mae appearing in this prospectus supplement and the accompanying prospectus are the property of Ellie Mae.

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THE OFFERING

Common Stock We Are Offering	2,750,000 shares (or 3,162,500 shares if the underwriters exercise their option to purchase additional shares from us in full)
Common Stock to be Outstanding after This Offering	32,948,074 shares (or 33,360,574 shares if the underwriters exercise their option to purchase additional shares from us in full)
Use of Proceeds	<p>We expect to receive net proceeds from this offering of approximately \$235.8 million (or approximately \$271.2 million if the underwriters exercise their option to purchase additional shares from us in full) after deducting the underwriting discounts and commissions and our estimated offering expenses.</p> <p>We intend to use the net proceeds that we receive for general corporate purposes, including working capital, sales and marketing activities, general and administrative matters and capital expenditures. We may also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business. We have no present understandings, commitments or agreements to enter into any acquisitions or investments. Our management will have broad discretion over the uses of the net proceeds we receive. See "Use of Proceeds."</p>
Risk Factors	See "Risk Factors" beginning on page S-7 and other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before investing in our common stock.
New York Stock Exchange Symbol	"ELLI"
	<p>The number of shares of common stock that will be outstanding after this offering is based on 30,198,074 shares outstanding as of June 30, 2016, and excludes:</p>

2,140,813 shares of common stock issuable upon the exercise of options outstanding at June 30, 2016, at a weighted average exercise price of \$25.45 per share;

1,001,229 shares of common stock issuable upon the vesting of restricted stock units outstanding at June 30, 2016;

370,038 shares of common stock issuable upon the vesting of certain performance awards and performance-vesting restricted stock units outstanding at June 30, 2016;

136,598 shares of common stock issuable upon the achievement of performance awards and performance-vesting restricted stock units in their performance period at June 30, 2016; and

5,353,062 shares of common stock reserved for future issuance under our stock-based compensation plans at June 30, 2016, consisting of: (i) 3,900,222 shares of common stock reserved for issuance under our 2011 Equity Incentive Award Plan, (ii) 1,452,840 shares of common stock reserved for issuance under our Employee Stock Purchase Plan, and (iii) shares

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that become available under the 2011 Equity Incentive Award Plan and Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under such plans each year.

Unless otherwise indicated, all information in this prospectus supplement assumes no exercise by the underwriters of their right to purchase up to an additional 412,500 shares of common stock from us in this offering.

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The summary consolidated statements of operations data for the years ended December 31, 2013, 2014 and 2015, are derived from our audited consolidated financial statements that are incorporated by reference into this prospectus supplement. The summary unaudited consolidated statements of operations data for the six months ended June 30, 2015 and 2016 and the summary unaudited consolidated balance sheet data as of June 30, 2016 are derived from our unaudited consolidated financial statements that are incorporated by reference into this prospectus supplement. The unaudited consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and include, in the opinion of management, all adjustments necessary for the fair statement of the financial information contained in those statements. The historical results presented below are not necessarily indicative of financial results to be achieved in future periods.

The following selected consolidated financial data should be read in conjunction with our consolidated financial statements and the related notes included in our annual and quarterly reports which are incorporated by reference into this prospectus supplement.

	Year Ended December 31,			Six Months Ended June 30,	
	2015	2014	2013	2016	2015
	(unaudited)				
	(in thousands, except share and per share data)				
Consolidated Statements of Operations					
Data:					
Revenues	\$ 253,937	\$ 161,537	\$ 128,481	\$ 163,723	\$ 120,131
Cost of revenues(1)	84,208	46,283	32,630	55,084	38,212
Gross profit	169,729	115,254	95,851	108,639	81,919
Operating expenses:					
Sales and marketing(1)	38,208	26,544	21,331	27,792	18,564
Research and development(1)	40,451	28,228	24,695	27,115	17,579
General and administrative(1)	57,212	39,361	30,853	33,525	26,451
Total operating expenses	135,871	94,133	76,879	88,432	62,594
Income from operations	33,858	21,121	18,972	20,207	19,325
Other income (expense), net	619	488	460	361	285
Income before income taxes	34,477	21,609	19,432	20,568	19,610
Income tax provision (benefit)	12,219	6,786	6,114	7,474	8,396
Net income	\$ 22,258	\$ 14,823	\$ 13,318	\$ 13,094	\$ 11,214
Net income per share of common stock:					
Basic	\$ 0.76	\$ 0.53	\$ 0.50	\$ 0.44	\$ 0.39
Diluted	\$ 0.72	\$ 0.50	\$ 0.47	\$ 0.42	\$ 0.37
Weighted average shares outstanding:					
Basic	29,179,352	27,858,828	26,581,962	29,643,779	28,931,042
Diluted	30,842,584	29,593,873	28,502,403	31,279,512	30,643,071

(1) The following table presents the stock-based compensation expense included in each respective expense category:

Year Ended December 31,

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Six Months Ended
June 30,

2015 2014 2013 2016 2015
(unaudited)

(in thousands)

Cost of revenues	\$ 3,218	\$ 1,579	\$ 745	\$ 2,102	\$ 1,428
Sales and marketing	2,752	1,562	1,041	1,937	1,190
Research and development	5,431	3,672	3,469	3,448	2,523
General and administrative	12,840	7,735	9,004	7,221	5,943
Total	\$ 24,241	\$ 14,548	\$ 14,259	\$ 14,708	\$ 11,084

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Our consolidated balance sheet data as of June 30, 2016 is presented:

on an actual basis; and

on an as-adjusted basis to give effect to the sale of the 2,750,000 shares of common stock offered by us hereby, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

As of June 30, 2016

Actual As Adjusted
(unaudited)
(in thousands)

Consolidated Balance Sheet Data:			
	Actual		As Adjusted
Cash and cash equivalents	\$ 44,609	\$	280,372
Short-term investments	46,859		46,859
Property and equipment, net	105,787		105,787
Working capital	91,301		327,064
Total assets	397,071		632,834
Total stockholders' equity	326,259		562,022

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RISK FACTORS

Investing in our common stock involves a high degree of risk. In addition to the other information contained in this prospectus supplement, the accompanying prospectus and in documents that we incorporate by reference, you should carefully consider the risks discussed below and in " Part II Other Information Item IA Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 before making a decision about investing in our securities. The risks and uncertainties discussed below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 are not the only ones facing us. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also harm our business. If any of these risks occur, our business, financial condition and operating results could be harmed, the trading price of our common stock could decline and you could lose part or all of your investment.

Risks Related to the Offering and the Ownership of our Common Stock

Our stock price is volatile and purchasers of our common stock could incur substantial losses.

The trading price of our common stock may be subject to wide fluctuations in response to various factors, some of which are beyond our control. In addition to the factors discussed in this "Risk Factors" section and elsewhere in our filings with the SEC, these factors include:

our operating performance and the operating performance of similar companies;

the overall performance of the equity markets;

the number of shares our common stock publicly owned and available for trading;

threatened or actual litigation;

changes in laws or regulations relating to our solutions;

any major change in our board of directors or management;

publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;

large volumes of sales of our shares of common stock by existing stockholders; and

general political and economic conditions.

In addition, the stock market in general has experienced extreme price and volume fluctuations. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. This litigation, if instituted against us, could result in very substantial costs, divert our management's attention and resources and harm our business.

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

In order to raise additional capital, we may in the future offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock at prices that may not be the same as the price per share in this offering. We may sell shares or other securities in any other offering at a price per share that is less than the price per share paid by investors in this offering, and investors purchasing

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shares or other securities in the future could have rights superior to existing stockholders. The price per share at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price per share paid by investors in this offering.

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We have broad discretion in how we use the net proceeds of this offering and our other resources, and we may not use these proceeds effectively or in ways with which you agree.

Our management will have broad discretion as to the application of the net proceeds of this offering and our other resources and could use them for purposes other than those contemplated at the time of this offering. Our stockholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds and our other resources. Moreover, our management may use the net proceeds and our other resources for corporate purposes that may not improve our results of operations or enhance the value of our common stock. Our failure to apply these funds effectively could have a material adverse effect on our business and cause the price of our common stock to decline.

Our stock repurchase program may be suspended or terminated at any time, which may result in a decrease in the trading price of our common stock.

Our board of directors previously approved a stock repurchase program under which we are authorized to repurchase up to \$75.0 million of our common stock over a 36-month period ending in May 2017, \$43.5 million of which remains available as of June 30, 2016. Such stock repurchases may be limited, suspended or terminated at any time without prior notice. There can be no assurance that we will repurchase additional shares of our common stock under our stock repurchase program or that any future repurchases will have a positive impact on the trading price of our common stock or earnings per share. Important factors that could cause us to limit, suspend or terminate our stock repurchase program include, among others, unfavorable market conditions, the trading price of our common stock, the nature of other investment or strategic opportunities presented to us from time to time, the rate of dilution of our equity compensation programs, the availability of adequate funds and our ability to make appropriate, timely and beneficial decisions as to when, how and whether to purchase shares under the stock repurchase program. If we limit, suspend or terminate our stock repurchase program, our stock price may be negatively affected.

If securities or industry analysts discontinue publishing research or publish inaccurate or unfavorable research about our business, our stock price could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price to decline.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements could be impaired, which could result in a loss of investor confidence in our financial reports, significant expenses to remediate any internal control deficiencies and ultimately have an adverse effect on the market price of our common stock.

As a publicly-traded company, we are subject to compliance with, among other regulations, Section 404 of the Sarbanes-Oxley Act of 2002, or SOX, which requires that we test our internal control over financial reporting and disclosure controls and procedures. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our compliance with SOX requires that we incur substantial expense and expend significant management time on compliance-related issues. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose

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confidence in our reported financial information. This could harm our operating results and lead to a decline in our stock price. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the New York Stock Exchange, regulatory investigations, civil or criminal sanctions and class action litigation.

As a third-party technology service provider of mission-critical products and services to many financial institutions that are regulated by one or more member agencies of the Federal Financial Institutions Examination Council, or FFIEC, we are subject to an IT examination by the member agencies of the FFIEC. As a result, the FFIEC conducts recurring IT Examinations in order to identify existing or potential risks associated with our operations that could adversely affect the financial institutions to whom we provide products and services, evaluate our risk management systems and controls and determine our compliance with applicable laws that affect the products and services we provide to financial institutions. In addition to examining areas such as our management of technology, data integrity, information confidentiality and service availability, the reviews also assess our financial stability. In June 2014, the FDIC, a member agency of the FFIEC, completed its IT examination and found that, while the services we provide to our client banks are satisfactory, several matters required further attention, some of which were repeat findings and recommendations from the FDIC's 2012 examination. Although management has developed a plan for addressing these matters, we cannot be assured that the plan will satisfy the FDIC or applicable law. A sufficiently unfavorable review from the FFIEC in the future could have a material adverse effect on our business and financial condition.

Certain provisions in our charter documents and Delaware law could discourage takeover attempts and lead to management entrenchment.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our board of directors. These provisions include:

a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;

no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;

the exclusive right of our board of directors to appoint a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;

the ability of our board of directors to determine to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;

a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;

the requirement that a special meeting of stockholders may be called only by the chairman of the board of directors, the chief executive officer, the president or the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and

advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting,

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which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

We are also subject to certain anti-takeover provisions under Delaware law. Under Delaware law, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction.

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USE OF PROCEEDS

We estimate that the net proceeds that we will receive from the sale of shares of common stock in this offering will be approximately \$235.8 million (\$271.2 million if the underwriters exercise their option in full), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds that we receive for general corporate purposes, including working capital, sales and marketing activities, general and administrative matters and capital expenditures. We may also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business. We have no present understandings, commitments or agreements to enter into any acquisitions or investments. Our management will have broad discretion over the uses of the net proceeds we receive.

Pending use of the proceeds as described above, we may invest the net proceeds in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper and guaranteed obligations of the U.S. government. We cannot predict whether any proceeds invested will yield a favorable return.

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DESCRIPTION OF COMMON STOCK

The following description of our common stock summarizes the material terms and provisions of our common stock. For the complete terms of our common stock, please refer to our certificate of incorporation and bylaws that are incorporated by reference into the registration statement of which this prospectus supplement is a part. The summary below is qualified in its entirety by reference to our certificate of incorporation and bylaws, as in effect at the time of any offering of securities under this prospectus supplement.

Common Stock

We are authorized to issue 140,000,000 shares of common stock, par value \$0.0001 per share, of which 30,198,074 shares were issued and outstanding as of June 30, 2016.

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors. Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock. Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate in the future. All outstanding shares of common stock are fully paid and non-assessable, and all shares of common stock to be issued under this prospectus supplement will be fully paid and non-assessable.

Anti-Takeover Provisions

The following paragraphs summarize certain provisions of our certificate of incorporation, our bylaws and the Delaware General Corporation Law, or the DGCL. The summary does not purport to be complete and is subject to and qualified in its entirety by reference to the DGCL and to our certificate of incorporation and bylaws, copies of which are on file with the SEC and are exhibits to documents previously filed by us. See "Where You Can Find More Information."

Certificate of Incorporation and Bylaws

Our certificate of incorporation provides for our board of directors to be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors. Our certificate of incorporation and bylaws provide that all stockholder actions must be effected at a duly called meeting of stockholders and not by a consent in writing, and that only our board of directors, chairman of the board, chief executive officer or president (in the absence of a chief executive officer) may call a special meeting of stockholders.

Although our certificate of incorporation requires the approval of the majority of the voting power of the Company's then-outstanding shares for the amendment, repeal or modification of certain provisions of our certificate of incorporation and bylaws relating to the classification of our board of

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directors, the combination of the classification of our board of directors, the lack of cumulative voting and the requirement that stockholder actions be effected at a duly called meeting and the designated parties entitled to call a special meeting of the stockholders will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions may have the effect of deterring hostile takeovers or delaying changes in our control or management. These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, such provisions also may inhibit increases in the market price of our stock that could result from actual or rumored takeover attempts. Such provisions may also have the effect of preventing changes in our management.

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) in employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least $66\frac{2}{3}\%$ of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines business combination to include the following:

any merger or consolidation involving the corporation and the interested stockholder;

any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;

subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;

any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or

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the receipt by the interested stockholder of the benefit of any loss, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns or, within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Wells Fargo Shareowner Services. The transfer agent's address is 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120 and its telephone number is (800) 468-9716 or (651) 450-4064.

Listing

Our common stock is listed on the New York Stock Exchange under the symbol "ELLI."

Table of Contents**PRICE RANGE OF COMMON STOCK**

Our common stock is traded on the New York Stock Exchange under the symbol "ELLI." The following table sets forth for the indicated periods the high and low intra-day sales prices per share for our common stock as reported by and listed on the New York Stock Exchange.

	High	Low
Year Ended December 31, 2014:		
First Quarter	\$ 32.27	\$ 23.90
Second Quarter	\$ 31.99	\$ 23.62
Third Quarter	\$ 36.22	\$ 27.85
Fourth Quarter	\$ 42.66	\$ 31.05
Year Ended December 31, 2015:		
First Quarter	\$ 57.36	\$ 39.29
Second Quarter	\$ 71.52	\$ 54.60
Third Quarter	\$ 82.92	\$ 64.83
Fourth Quarter	\$ 78.71	\$ 58.35
Year Ending December 31, 2016:		
First Quarter	\$ 91.16	\$ 57.88
Second Quarter	\$ 94.20	\$ 74.11
Third Quarter (through August 3, 2016)	\$ 102.63	\$ 90.25

The last reported sale price for our common stock on the New York Stock Exchange was \$92.52 per share on August 3, 2016. We estimate that there were approximately 53 holders of record of our common stock as of June 30, 2016.

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DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and compliance with future credit agreements and other loan arrangements, which may restrict or limit our ability to pay dividends, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

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Table of Contents**CAPITALIZATION**

The following table sets forth our unaudited cash, cash equivalents and short-term investments, the current portion of liabilities and total capitalization as of June 30, 2016:

on an actual basis; and

on an as-adjusted basis to give effect to the sale of the 2,750,000 shares of common stock offered by us hereby, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table in conjunction with "Use of Proceeds" as well as our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, including the related notes, incorporated by reference into the accompanying prospectus and, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2016.

	As of June 30, 2016	
	Actual	As Adjusted
	(unaudited)	
	(in thousands, except	
	share and per share	
	data)	
Cash, cash equivalents and short term investments	\$ 91,468	\$ 327,231
Total current liabilities	\$ 55,735	\$ 55,735
Leases payable, net of current portion	151	151
Stockholders' equity:		
Common stock, par value \$0.0001 per share; 140,000,000 shares authorized; 30,198,074 shares issued and outstanding, actual; 32,948,074 shares issued and outstanding, as adjusted	3	3
Additional paid-in capital	307,227	542,989
Accumulated other comprehensive income	172	172
Retained earnings	18,857	18,857
Total stockholders' equity	326,259	562,022
Total capitalization	\$ 326,410	\$ 562,173

The number of shares of common stock that will be outstanding after this offering is based on the 30,198,074 shares outstanding as of June 30, 2016, and excludes:

2,140,813 shares of common stock issuable upon the exercise of options outstanding at June 30, 2016 at a weighted average exercise price of \$25.45 per share;

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1,001,229 shares of common stock issuable upon the vesting of restricted stock units outstanding at June 30, 2016;

370,038 shares of common stock issuable upon the vesting of certain performance awards and performance-vesting restricted stock units; and

136,598 shares of common stock issuable upon the achievement of performance awards and performance-vesting restricted stock units in their performance period at June 30, 2016; and

5,353,062 shares of common stock reserved for future issuance under our stock-based compensation plans at June 30, 2016, consisting of: (i) 3,900,222 shares of common stock reserved for issuance under our 2011 Equity Incentive Award Plan, (ii) 1,452,840 shares of common stock reserved for issuance under our Employee Stock Purchase Plan, and (iii) shares that become available under the 2011 Equity Incentive Award Plan and Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under the plans each year.

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**MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS FOR
NON-U.S. HOLDERS**

The following is a summary of the material U.S. federal income and estate tax consequences of the ownership and disposition of our common stock to non-U.S. holders, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax or estate tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any State of the United States or any local, non-U.S. or other taxing jurisdiction or under U.S. federal non-income tax laws, such as gift and estate tax laws, except to the limited extent set forth below, or under any applicable tax treaty. In addition, this discussion does not address tax considerations applicable to an investor's particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

banks, insurance companies or other financial institutions;

persons subject to the alternative minimum tax or the Medicare contribution tax on net investment income;

tax-exempt organizations or accounts;

controlled foreign corporations, passive foreign investment companies or corporations that accumulate earnings to avoid U.S. federal income tax;

dealers in securities or currencies;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);

certain former citizens or long-term residents of the United States;

persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;

persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction;

persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes); or

persons deemed to sell our common stock under the constructive sale provisions of the Code.

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In addition, if a partnership, including any entity or arrangement, domestic or foreign, classified as a partnership for U.S. federal income tax purposes, holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

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You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our common stock arising under the U.S. federal estate or gift tax rules or under the laws of any State of the United States or any local, non-U.S. or other taxing jurisdiction, or under any applicable tax treaty.

Non-U.S. Holder Defined

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

an individual who is a citizen or resident of the United States;

a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States, any State thereof or the District of Columbia;

an estate whose income is subject to U.S. federal income tax regardless of its source; or

a trust (x) the administration of which is subject to the primary supervision of a U.S. court and that has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (y) that has made an election to be treated as a U.S. person.

Distributions

As described in the section titled "Dividend Policy," we have never declared or paid cash dividends on our common stock and currently do not anticipate paying any cash dividends on our common stock in the foreseeable future. However, if we make distributions on our common stock, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our common stock (determined separately with respect to each share of our common stock), but not below zero, and then will be treated as gain from the sale of that stock.

Subject to the discussion below regarding effectively connected income, backup withholding and foreign accounts, any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, you must provide us with an IRS Form W-8BEN or IRS Form W-8BEN-E (generally including an applicable taxpayer identification number) or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate. If you hold our common stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, who then will be required to provide the required certification to us or our paying agent, either directly or through other intermediaries. You should consult your tax advisor regarding your entitlement to benefits under any applicable income tax treaty. If you are eligible for a reduced rate of withholding tax pursuant to a tax treaty, you may be able to obtain a refund of any excess amounts currently withheld if you file an appropriate claim for refund with the IRS.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if an income tax treaty applies, are attributable to a permanent establishment or fixed base maintained by you in the United States) generally are exempt from such withholding tax. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable IRS Form W-8 properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax, are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits, subject to an applicable income tax treaty providing otherwise. In

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addition, if you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business (and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the you in the United States) may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty.

Gain on Sale or Other Disposition of Common Stock

Subject to the discussion below regarding backup withholding and foreign accounts, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

the gain is effectively connected with your conduct of a U.S. trade or business (and, if an income tax treaty applies, the gain is attributable to a permanent establishment or fixed base maintained by you in the United States), in which case you will be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates, and for a non-U.S. holder that is a corporation, such non-U.S. holder may be subject to the branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty;