

R&G FINANCIAL CORP
Form 8-K
June 21, 2007

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

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): June 21, 2007

R&G Financial Corporation

(Exact name of registrant as specified in its charter)

Puerto Rico

(State or other jurisdiction of incorporation)

001-31381
(Commission File Number)

66-0532217
(I.R.S. Employer Identification No.)

290 Jesús T. Piñero Ave.

Hato Rey, San Juan, Puerto Rico 00918

(Address of principal executive offices and zip code)

(787) 758-2424

(Registrant's telephone number, including area code)

Not applicable.

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

In a June 21, 2007 press release, R&G Financial Corporation, San Juan, Puerto Rico (the Company) announced an updated assessment of the previously announced estimated aggregate reduction to its consolidated stockholders' equity that will likely be required in connection with the restatement. On February 12, 2007, the Company stated that as a result of the restatement, it expected to reduce stockholders' equity as of December 31, 2004 by an aggregate of between \$185 million and \$200 million after taxes. The Company has substantially completed its work on its restated consolidated financial statements for 2002, 2003 and 2004, which remain subject to audit, as well as on the restatement of selected financial information for the two prior years required to be included in its Annual Report on Form 10-K for the year ended December 31, 2004. The Company currently estimates that the aggregate reduction to its stockholders' equity as of December 31, 2004 will be approximately \$240 million after taxes. Assuming the estimated aggregate reduction to stockholders' equity resulting from the restatement, and based on current information, the Company and each of its bank subsidiaries were well-capitalized as of April 30, 2007 within the meaning of federal bank regulations.

The Company and its current management team continue working diligently to complete the restatement as soon as possible. The Company continues to express no views as to when its 2002, 2003 and 2004 audited restated consolidated financial statements and 2004 10-K/A will be publicly available.

Forward Looking Statements

The information included in this Current Report on Form 8-K contains certain forward-looking statements concerning the Company's economic future performance. The words or phrases expect, believe, anticipate, estimate, intend, look forward, should and similar expressions are used to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and to advise readers that a number of factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following: the Company's ability to attract new clients and retain existing clients; risks associated with the effects of global, national and regional economic and political conditions, including with respect to fluctuations in interest rates; potential adverse effects to the Company's financial condition, results of operations or prospects as a result of the required adjustments to prior period financial statements; risks associated with the Company's inability to prepare and timely file financial statements; potential adverse effects if the Company is required to recognize additional impairment charges or other adverse accounting-related developments; potential adverse developments in connection with the ongoing SEC inquiry; potential adverse developments from enforcement actions by bank regulatory agencies; and developments from changes in the regulatory and legal environment for financial services companies in Puerto Rico and the United States. The range provided for the impact on stockholders' equity is an estimate and is subject to change. The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

Item 9.01 Exhibits.

99.1 Press Release of June 21, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 21, 2007

R&G FINANCIAL CORPORATION

By: /s/ Andres I. Perez
Andres I. Perez
Chief Financial Officer