

Walker & Dunlop, Inc.
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July 20, 2012

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

WALKER & DUNLOP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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-

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WALKER & DUNLOP, INC.

7501 Wisconsin Avenue, Suite 1200E
Bethesda, Maryland 20814

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [], 2012
9:00 a.m. Eastern Daylight Time

Dear Stockholder:

You are cordially invited to attend the special meeting (the "Special Meeting") of stockholders of Walker & Dunlop, Inc. (the "Company") to be held on [], 2012, at 9:00 a.m., Eastern Daylight Time, at the Hilton Garden Inn, 7301 Waverly Street, Bethesda, Maryland 20814.

At the Special Meeting, you will be asked to vote on proposals to:

1. approve the Company's issuance of shares (the "Stock Consideration") of its common stock (the "Share Issuance Proposal") in connection with the proposed acquisition of CWCapital LLC ("CWCapital") by the Company's indirect wholly owned operating subsidiary, Walker & Dunlop, LLC (the "Purchaser"), pursuant to a purchase agreement (the "Purchase Agreement"), dated as of June 7, 2012, among the Company, the Purchaser, CWCapital and CW Financial Services LLC, a Delaware limited liability company (the "Seller"), for aggregate consideration, net of certain expenses and adjustments, of approximately \$220 million, consisting of \$80 million paid in cash from the Purchaser and \$140 million paid through the issuance of a number of shares expected to equal 11,647,255 shares of Common Stock, or approximately 34 percent of the Company on a fully diluted basis, subject to adjustment as described below under "The Purchase Agreement" on page 44;
2. (i) approve amendments to the Company's 2010 Equity Incentive Plan (the "Equity Incentive Plan") that would increase the number of shares reserved and individual limits of categories of awards under, add additional performance measures applicable to, extend the termination date of, and make certain other related technical amendments to, the Equity Incentive Plan, and (ii) re-approve material terms and conditions relating to performance-based compensation under the Equity Incentive Plan (the "Plan Amendment Proposal");
3. adjourn the Special Meeting, for up to 20 additional days, solely to the extent necessary to solicit additional proxies if there are insufficient votes to approve the Share Issuance Proposal at the time of the Special Meeting (the "Adjournment Proposal"); and
4. transact such other business as may properly come before the Special Meeting or any adjournment thereof.

The Board has unanimously determined that the Share Issuance Proposal, the Plan Amendment Proposal and the Adjournment Proposal are in the best interest of the Company and its stockholders. The Board unanimously recommends that you vote *for* the Share Issuance Proposal, *for* the Plan Amendment Proposal and *for* the Adjournment Proposal.

Only stockholders of record at the close of business on [], 2012 will be entitled to vote at the Special Meeting or any adjournment thereof.

The obligations of the Company, the Purchaser and the Seller to complete the Purchaser's acquisition of CWCapital are subject to the conditions set forth in the Purchase Agreement, which are summarized in the accompanying proxy statement. More information about the Company, CWCapital, the Special Meeting and the Purchase Agreement is contained in the accompanying proxy statement. **You are encouraged to read carefully the accompanying proxy statement, including the documents incorporated by reference, in its entirety.**

Neither the U.S. Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the acquisition of CWCapital, passed upon the merits or fairness of the

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acquisition or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

We look forward to seeing you at the Special Meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, YOU ARE URGED TO COMPLETE, DATE AND SIGN THE ACCOMPANYING PROXY CARD AND RETURN IT PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE SPECIAL MEETING, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON, IF YOU DESIRE, AS DISCUSSED IN THIS PROXY STATEMENT.

By order of our Board of Directors,

Richard M. Lucas
*Executive Vice President,
General Counsel and Secretary*

Bethesda, Maryland

Dated: [], 2012

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ADDITIONAL INFORMATION

Additional business and financial information about the Company can be found in documents previously filed with the U.S. Securities and Exchange Commission (the "SEC"). This information is available to you without charge at the SEC's website at <http://www.sec.gov>. You can also obtain additional copies of this proxy statement, as well as other relevant materials, by visiting the Company's website at www.walkerdunlop.com or by requesting them in writing using the following contact information:

Walker & Dunlop, Inc.
Attn: Investor Relations
7501 Wisconsin Avenue, Suite 1200E
Bethesda, Maryland 20814

See "Where You Can Find More Information" beginning on page 110 for more information about the documents previously filed by us with the SEC and incorporated herein by reference.

All information contained in this proxy statement regarding CWCapital LLC and CW Financial Services LLC was provided by CW Financial Services LLC. We do not warrant the accuracy of the information provided by CW Financial Services LLC.

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WALKER & DUNLOP, INC.

7501 Wisconsin Avenue, Suite 1200E
Bethesda, Maryland 20814

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE SPECIAL MEETING

The information in this section does not provide all of the information that may be important to you with respect to the matters being considered at the Special Meeting. Therefore, you should read this proxy statement carefully, as well as the full contents of the other documents to which this proxy statement refers or incorporates by reference. These documents contain information that may be important to you in determining how you will vote on the matters to be considered at the Special Meeting.

Why am I receiving this proxy statement?

You are receiving this proxy statement and the accompanying proxy card because you own shares of Walker & Dunlop, Inc.'s common stock, par value \$0.01 per share (the "Common Stock"). This proxy statement contains information related to the solicitation of proxies for use at our Special Meeting of stockholders to be held at 9:00 a.m., Eastern Daylight Time, on [], 2012, and at any adjournments or postponements thereof (the "Special Meeting"), for the purposes stated in the accompanying Notice of Special Meeting of Stockholders. The Special Meeting will be held at the Hilton Garden Inn, 7301 Waverly Street, Bethesda, Maryland 20814. This solicitation is made by Walker & Dunlop, Inc. on behalf of our Board of Directors (the "Board"). Unless otherwise stated, as used in this proxy statement, the terms "we," "our," "us", "Walker & Dunlop" and the "Company" refer to Walker & Dunlop, Inc. This proxy statement is dated [], 2012. This proxy statement, the Notice of Special Meeting of Stockholders and the enclosed proxy card are first being mailed to stockholders beginning on or about [], 2012.

What information is presented in this proxy statement?

The information contained in this proxy statement relates to the proposals to be voted on at the Special Meeting, the voting process and other required information.

What is the purpose of the Special Meeting?

The purpose of the Special Meeting is to vote upon the following three proposals:

- (i) A proposal to approve the issuance of shares of our Common Stock in connection with the acquisition (the "Acquisition") of all of the limited liability company membership interests in CWCapital LLC ("CWCapital"), a Massachusetts limited liability company and a direct wholly owned subsidiary of CW Financial Services LLC ("CW Financial" or the "Seller"), pursuant to a purchase agreement (the "Purchase Agreement"), dated as of June 7, 2012, by and among Walker & Dunlop, as parent, Walker & Dunlop, LLC (the "Purchaser"), CW Financial and CWCapital (the "Share Issuance Proposal") for aggregate consideration, net of certain expenses and adjustments, of approximately \$220 million. Of the \$220 million, \$80 million will be paid in cash from the Purchaser (the "Cash Consideration"), and the remaining \$140 million will be paid through the issuance of shares. The number of shares to be issued in connection with the Acquisition (the "Stock Consideration") is expected to equal 11,647,255 shares of Common Stock (which represents approximately 34 percent of the Company on a fully diluted basis), subject to

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adjustment as described below under "The Purchase Agreement" on page 44. A copy of the Purchase Agreement is attached as *Annex A* to this proxy statement and incorporated by reference herein.

(ii) A proposal to (a) approve amendments to the Company's 2010 Equity Incentive Plan (the "Equity Incentive Plan") that would increase the number of shares reserved and individual limits of categories of awards under, add additional performance measures applicable to, extend the termination date of, and make certain other related technical amendments to, the Equity Incentive Plan, and (b) re-approve material terms and conditions relating to performance-based compensation under the Equity Incentive Plan (the "Plan Amendment Proposal"). A copy of the Amended Equity Incentive Plan is attached to this proxy statement as *Annex H* and incorporated by reference herein.

(iii) A proposal to adjourn the Special Meeting, for up to 20 additional days, solely to the extent necessary to solicit additional proxies if there are insufficient votes to approve the Share Issuance Proposal at the time of the Special Meeting (the "Adjournment Proposal").

This document contains important information about the Acquisition, the Purchase Agreement, the other agreements entered into in connection with the Acquisition, the Equity Incentive Plan, and the Special Meeting, and you should read it, and the documents incorporated by reference into this proxy statement, carefully and in their entirety.

Why is the Company seeking stockholder approval for the Share Issuance Proposal and the Plan Amendment Proposal?

Because our Common Stock is listed on the New York Stock Exchange ("NYSE"), Walker & Dunlop is subject to the NYSE's rules and regulations. These rules require stockholder approval prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, in any transaction or series of related transactions where, in general, the issuance involves more than 20 percent of the outstanding common stock or voting rights of a listed company (the "NYSE 20% Cap"). In connection with the purchase of all of the outstanding limited liability company interests of CWCcapital, we will issue, in a private placement to the Seller, a number of shares expected to equal 11,647,255 shares of Common Stock (which represents approximately 34 percent of the Company on a fully diluted basis), subject to adjustment as described below under "The Purchase Agreement" on page 44.

As with the Share Issuance Proposal, the Plan Amendment Proposal requires stockholder approval pursuant to NYSE rules. Those rules provide that stockholder approval is required for any "material revision" to an equity compensation plan (which, under the Rule, includes material increase in the number of shares available under the plan (other than an increase solely to reflect a reorganization, stock split, merger, spin-off or similar transaction)).

Who is CWCcapital?

CWCcapital is one of the leading commercial real estate finance companies in the United States, with a primary focus on multifamily lending. CWCcapital's clients are owners and developers of commercial real estate across the country. CWCcapital has approximately 180 employees located in 14 offices across the United States. CWCcapital originates and sells multifamily mortgage loans pursuant to the programs of Fannie Mae and the Federal Home Loan Mortgage Corporation ("Freddie Mac," and together with Fannie Mae, the government-sponsored enterprises, or the "GSEs"), the Government National Mortgage Association ("Ginnie Mae") and the Federal Housing Administration, a division of the U.S. Department of Housing and Urban Development (together with Ginnie Mae, "HUD"), with which CWCcapital has long-established relationships. CWCcapital is approved as a Fannie Mae Delegated Underwriting and Servicing ("DUS"TM) lender nationally, a Freddie Mac Program Plus

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lender in Massachusetts, Georgia, Alaska, California, Idaho, Oregon, Washington, New Jersey, the New York City metro area, Fairfield and New Haven counties in Connecticut, and Bucks, Chester, Delaware, Montgomery and Philadelphia counties in Pennsylvania and an approved Freddie Mac Targeted Affordable Housing lender. CWCcapital is also a HUD Multifamily Accelerated Processing ("MAP") lender nationally, and a Ginnie Mae issuer. CWCcapital is also a rated servicer and master servicer and services commercial loans for a number of commercial mortgage backed securities ("CMBS") trusts. CWCcapital retains servicing rights and asset management responsibilities on substantially all loans that it sells to investors.

What happens if the Share Issuance Proposal and the Plan Amendment Proposal are approved?

If the Share Issuance Proposal is approved, the Company will issue the Stock Consideration (subject to adjustment as described under "The Purchase Agreement" on page 44) to the Seller pursuant to the terms and conditions of the Purchase Agreement. If the Plan Amendment Proposal is approved, the Company will amend the Equity Incentive Plan to (i) increase the number of shares reserved for issuance by 3,370,000 shares; (ii) change the individual limits to (A) 600,000 shares for grants of stock options and stock appreciation rights ("SARs") in any single calendar year, (B) 600,000 shares for awards other than stock options and SARs in any single calendar year, (C) three million dollars (\$3,000,000) for the maximum amount that may be earned as an annual incentive award or other cash award in any calendar year in respect of performance, and (D) seven million dollars (\$7,000,000) for the maximum amount that may be earned as a performance award or other cash award in any calendar year in respect of performance; (iii) add additional performance measures that may be used as performance goals; and (iv) extend the termination date of the Equity Incentive Plan until the tenth anniversary of the Special Meeting.

What happens if the Share Issuance Proposal and the Plan Amendment Proposal are not approved?

If stockholders do not approve the Share Issuance Proposal, the Company will consider its alternatives, including its right to terminate the Purchase Agreement in accordance with its terms. If stockholders do not approve the Plan Amendment Proposal, we will not amend the Equity Incentive Plan to increase the number of shares issuable in connection with awards under the plan.

Who is entitled to vote at the Special Meeting?

Only holders of record of our Common Stock at the close of business on [], 2012, the record date for the Special Meeting, are entitled to receive notice of the Special Meeting and to vote at the Special Meeting. Our Common Stock constitutes the only class of securities entitled to vote at the Special Meeting.

When you vote by signing and returning the proxy card, you appoint William M. Walker and Deborah A. Wilson as your representatives to vote your Common Stock at the Special Meeting. Mr. Walker and Ms. Wilson, or either of them, will vote your Common Stock as you instruct on your proxy card. Accordingly, your Common Stock will be voted whether or not you attend the Special Meeting. Even if you plan to attend the Special Meeting, we encourage you to vote by signing and returning your proxy card in advance.

Who can attend the Special Meeting?

If you are a holder of our Common Stock at the close of business on [], 2012, the record date for the Special Meeting, or a duly appointed proxy, you are authorized to attend the Special Meeting. You will need to present proof of share ownership and valid picture identification, such as a driver's license or passport, before being admitted. If your Common Stock is held beneficially in the name of a bank, broker or other holder of record (*i.e.*, street name), you must present proof of your

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ownership by presenting a bank or brokerage account statement reflecting your ownership as of the record date.

Cameras, recording equipment and other electronic devices will not be permitted at the Special Meeting. For directions to the Special Meeting, contact Investor Relations at (301) 634-2143.

What are the voting rights of stockholders?

Each share of Common Stock outstanding on the record date entitles its holder to cast one vote on each matter to be voted on.

How do I vote?

If you hold your shares of Common Stock directly (*i.e.*, not in a bank or brokerage account), you may vote by completing and returning the accompanying proxy card or by attending the meeting and voting in person.

If your shares of Common Stock are held in street name, you should follow the voting instructions provided to you by your broker or nominee. You may complete and mail a voting instruction card to your broker or nominee or, in most cases, submit voting instructions by the internet or by telephone to your broker or nominee. If you provide specific instructions, your broker or nominee should vote your shares of Common Stock as directed. Additionally, if you want to vote in person and hold your shares in street name, you will need a legal proxy from your broker to vote at the Special Meeting.

What will constitute a quorum at the Special Meeting?

The presence at the Special Meeting, in person or by proxy, of the holders of a majority of the outstanding shares of our Common Stock entitled to vote at the Special Meeting will constitute a quorum, permitting the stockholders to conduct business at the Special Meeting. We will include abstentions in the calculation of the number of shares considered to be present at the Special Meeting, including for purposes of determining the presence of a quorum at the meeting. Because no "routine" matters will be considered at the Special Meeting, absent instructions from the beneficial owner, brokers are not permitted to vote on any proposal (resulting in a "broker non-vote") and unvoted shares held in street name will not be counted as present for purposes of determining whether there is a quorum at the Special Meeting.

As of [], 2012, there were [] shares of Common Stock outstanding.

How many votes are needed to approve each of the proposals?

Under Section 312.03 of the NYSE Listed Company Manual, approval of either the Share Issuance Proposal or the Plan Amendment Proposal requires the affirmative vote of the holders of a majority of the votes cast at the Special Meeting, provided that the total votes cast (either for, against or abstaining) on the proposal represent over 50 percent of all outstanding securities entitled to vote on the proposal. Accordingly, either a failure to cast a vote for a proposal or a broker non-vote on a proposal could have the effect of a vote against the proposal if such failure to cast a vote or broker non-vote results in the total number of votes cast on the proposal not representing over 50 percent of all shares of Common Stock entitled to vote on the proposal. Approval of the Adjournment Proposal requires the affirmative vote of the holders of a majority of the votes cast at the Special Meeting.

Because approval of each of the Share Issuance Proposal and the Plan Amendment Proposal is based on the affirmative vote of a majority of votes cast, a stockholder's failure to vote its shares of Common Stock will not affect the outcome of the vote on the proposal, assuming 50 percent in interest of all securities entitled to vote on the proposal are voted on the proposal. Broker non-votes are not treated as votes cast with respect to the proposals. Accordingly, for each such proposal, a broker

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non-vote will not count as a "vote cast" for purposes of determining whether the proposal has been approved by a majority of votes cast on such proposal and, assuming that the total vote cast on such proposal represents over 50 percent in interest of all securities entitled to vote, broker non-votes will have no effect on the outcome of the vote on such proposal. Abstentions will be treated as "votes cast" for purposes of determining whether the total vote cast on each such proposal represents over 50 percent in interest of all securities entitled to vote on the proposal as required by the NYSE. Accordingly, an abstention will have the same effect as a vote "AGAINST" each such proposal for purposes of determining whether the proposal has been approved by a majority of votes cast on such proposal. Abstentions will have no effect on the Adjournment Proposal.

How are proxy card votes counted?

If the accompanying proxy card is properly signed and returned to us, and not revoked, the persons designated as proxy holders will vote the shares of Common Stock represented by that proxy as directed by you. If you return your signed proxy card but fail to indicate your voting preferences, the persons designated as proxy holders will vote the shares of Common Stock represented by that proxy as recommended by the Board.

How does the Board recommend that I vote?

The Board unanimously recommends that you vote "**FOR**" the approval of the Share Issuance Proposal, "**FOR**" the approval of the Plan Amendment Proposal and "**FOR**" the approval of the Adjournment Proposal.

Will my shares of Common Stock be voted if I do not provide my proxy and I do not attend the Special Meeting?

If you do not provide a proxy, vote your shares of Common Stock or instruct your broker how to vote, your shares will not be voted. Your broker may not vote your shares for non-routine matters if you do not provide the broker with voting instructions. The Share Issuance Proposal and the Plan Amendment Proposal are considered non-routine matters. As a result, if you hold shares of our Common Stock in street name and do not provide voting instructions to your broker, your shares will not be voted on these proposals, so please vote your shares.

May I change my vote after I return my proxy card?

Yes. You may change or revoke a previously granted proxy at any time before it is exercised by either (i) submitting a later-dated proxy, in person at the Special Meeting or by mail, or (ii) delivering instructions to our Secretary at our principal executive offices located at 7501 Wisconsin Avenue, Suite 1200E, Bethesda, Maryland 20814. Please note that attendance at the Special Meeting will not, in itself, constitute revocation of a previously granted proxy.

If your shares of Common Stock are held in street name, then you may submit new voting instructions by contacting your broker or nominee. You may also vote in person at the Special Meeting if you obtain a legal proxy from your broker as described above.

Will any other matters be voted on at the Special Meeting?

As of the date of this proxy statement, we do not know of any other matters that will be presented for consideration at the Special Meeting other than those matters discussed in this proxy statement. If any other matters properly come before the Special Meeting and call for a stockholder vote, valid proxies will be voted by the holders of the proxies in accordance with the recommendation of the Board or, if no recommendation is given, in their own discretion.

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Who is soliciting my proxy?

This solicitation of proxies is made by and on behalf of our Board. We will pay the costs of soliciting proxies, which will consist primarily of the cost of printing, postage and handling. In addition to soliciting proxies by mail, our officers, directors and other employees, without additional compensation, may solicit proxies personally or by other appropriate means. Brokerage houses, nominees, fiduciaries and other custodians will be requested to forward soliciting materials to beneficial owners and will be reimbursed for their reasonable out-of-pocket expenses incurred in sending proxy materials to beneficial owners.

What rights do I have if I vote against the proposals?

There are no appraisal or dissenter's rights with respect to any matter to be voted on at the Special Meeting.

What happens if the Special Meeting is postponed or adjourned?

Your proxy will still be valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

Is there a list of stockholders entitled to vote at the Special Meeting?

The names of stockholders of record entitled to vote at the Special Meeting will be available at the Special Meeting and for ten days prior to the Special Meeting, between the hours of 9:00 a.m. and 4:30 p.m., at our principal executive offices at 7501 Wisconsin Avenue, Suite 1200E, Bethesda, Maryland 20814, by contacting the Secretary.

Who can help answer my questions?

If you have questions about any of the proposals, need additional copies of this proxy statement, or require assistance in voting your shares, you should contact Investor Relations, by phone at (301) 634-2143 to Walker & Dunlop, Inc., Attention: Investor Relations, 7501 Wisconsin Avenue, Suite 1200E, Bethesda, MD 20814, or by e-mail to charvey@walkerdunlop.com.

You should rely only on the information provided in this proxy statement. We have not authorized anyone to provide you with different information. You should assume that the information in this proxy statement is accurate only as of the date of this proxy statement or, where information relates to another date set forth in this proxy statement, then as of that date.

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SUMMARY

Below is a summary of the terms of the Share Acquisition Proposal and the Plan Amendment Proposal. This summary highlights selected information from this proxy statement, and may not contain all of the information that is important to you. To better understand the proposals described below, you should read this entire proxy statement carefully, as well as those additional documents to which we refer you. You may obtain the information incorporated by reference into this proxy statement by following the instructions set forth in "Where You Can Find More Information" on page 110 of this proxy statement.

Special Meeting (page 22)

The Special Meeting will be held on [], 2012, at 9:00 a.m., Eastern Daylight Time, at the Hilton Garden Inn, 7301 Waverly Street, Bethesda, Maryland 20814. The Special Meeting of our stockholders is being held to consider and vote on proposals to:

1. approve the Company's issuance of shares of our Common Stock, pursuant to the terms and conditions of the Purchase Agreement, in connection with the proposed acquisition of CWCapital by our indirect wholly owned operating subsidiary, the Purchaser, for aggregate consideration, net of certain expenses and adjustments, of approximately \$220 million, consisting of \$80 million paid in cash from the Purchaser and \$140 million paid through the issuance of a number of shares expected to equal 11,647,255 shares of Common Stock (or approximately 34 percent of the Company on a fully diluted basis), subject to adjustment as described below under "The Purchase Agreement" on page 44;
2. (i) approve amendments to the Equity Incentive Plan that would increase the number of shares reserved and individual limits of categories of awards under, add additional performance measures applicable to, extend the termination date of, and make certain other related technical amendments to, the Equity Incentive Plan, and (ii) re-approve material terms and conditions relating to performance-based compensation under the Equity Incentive Plan;
3. adjourn the Special Meeting, for up to 20 additional days, solely to the extent necessary to solicit additional proxies if there are insufficient votes to approve the Share Issuance Proposal at the time of the Special Meeting; and
4. transact such other business as may properly come before the Special Meeting or any adjournment thereof.

The Acquisition (page 26)

On June 7, 2012, Walker & Dunlop and the Purchaser, an indirect subsidiary of Walker & Dunlop, entered into a Purchase Agreement with CWCapital, a Massachusetts limited liability company, and CW Financial, a Delaware limited liability company and the parent of CWCapital, pursuant to which the Purchaser will purchase all of the outstanding limited liability company interests of CWCapital.

On the terms and subject to the conditions of the Purchase Agreement, a portion of the Acquisition will be paid through the issuance of a number of shares expected to equal 11,647,255 shares of Common Stock (which represents approximately 34 percent of the Company on a fully diluted basis), subject to adjustment as described below under "The Purchase Agreement" on page 44.

The Companies (page 26)

Walker & Dunlop

Through its indirect operating subsidiary, the Purchaser, Walker & Dunlop is one of the leading commercial real estate finance companies in the United States, with a primary focus on multifamily lending. As Fannie Mae DUS , Freddie Mac Program Plus® and MAP- and LEAN-approved FHA

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lenders, the Multifamily and FHA Finance groups are focused on lending to property owners, investors, and developers of multifamily properties across the country. Walker & Dunlop's proprietary Interim Loan Program provides financing for multifamily properties that do not currently qualify for permanent financing. We also originate and service loans for a number of life insurance companies, commercial banks and other institutional investors, in which cases we do not fund the loan but rather act as a loan broker. Additionally, through our operating subsidiary entities, we provide institutional advisory, asset management and investment management services specializing in debt, structured debt and equity.

CWCapital

CWCapital is one of the leading commercial real estate finance companies in the United States, with a primary focus on multifamily lending. CWCapital's clients are owners and developers of commercial real estate across the country. CWCapital has approximately 180 employees located in 14 offices across the United States. CWCapital originates and sells multifamily mortgage loans pursuant to the programs of Fannie Mae and Freddie Mac, Ginnie Mae and HUD, with which CWCapital has long-established relationships. CWCapital is approved as a Fannie Mae DUS™ lender nationally, a Freddie Mac Program Plus lender in Massachusetts, Georgia, Alaska, California, Idaho, Oregon, Washington, New Jersey, the New York City metro area, Fairfield and New Haven counties in Connecticut, and Bucks, Chester, Delaware, Montgomery and Philadelphia counties in Pennsylvania and an approved Freddie Mac Targeted Affordable Housing lender. CWCapital is also a MAP lender nationally, and a Ginnie Mae issuer. CWCapital is also a rated servicer and master servicer and services commercial loans for a number of CMBS trusts. CWCapital retains servicing rights and asset management responsibilities on substantially all loans that it sells to investors.

Board Recommendation (page 31)

Our Board unanimously recommends that you vote *FOR* the Share Issuance Proposal authorizing the issuance of shares of our Common Stock in connection with our proposed acquisition of CWCapital; *FOR* the Plan Amendment Proposal to amend the Equity Incentive Plan; and *FOR* the Adjournment Proposal.

Reasons for the Acquisition (page 31)

In evaluating the Acquisition, the Purchase Agreement and the related stock issuance, the Board consulted with our management and legal and financial advisors, and, in reaching its decision to approve the Acquisition and the Purchase Agreement, our Board discussed and considered a variety of factors weighing positively in favor of the Acquisition, including but not limited to, the following:

management's view that our purchase of CWCapital would result in a combined company with an enhanced national origination platform, significantly larger servicing portfolio and broader scale of operations than we have on a standalone basis;

CWCapital's loan origination capabilities, including its origination growth by loan product type since 2009;

the size and volume by product type of CWCapital's servicing portfolio;

CWCapital's quality employees;

the consideration, taking into account its total value and composition; and

the overall terms of the Purchase Agreement, including the parties' respective representations, warranties, covenants and conditions to their respective obligations in such agreement.

See the section entitled "Reasons for the Acquisition" on page 31 for further discussion of our Board's reasons for the merger.

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Opinion of Walker & Dunlop's Financial Advisor (page 34)

On June 7, 2012, Keefe, Bruyette & Woods, Inc. ("KBW"), our financial advisor in connection with the Acquisition, delivered its oral opinion to the Board, which was subsequently confirmed by delivery of a written opinion, dated June 7, 2012, to the effect that, as of such date, subject to assumptions and qualifications described in the opinion, the consideration to be paid by Walker & Dunlop in the Acquisition was fair, from a financial point of view, to Walker & Dunlop.

The full text of the KBW opinion is attached as *Annex B* to this proxy statement and incorporated by reference herein. **The KBW opinion was provided to the Board for the use and benefit of the Board in its evaluation of the Acquisition. The KBW opinion is directed only to the fairness from a financial point of view to Walker & Dunlop of the consideration paid by Walker & Dunlop in connection with the Acquisition. The opinion does not address Walker & Dunlop's underlying business decision to acquire CWCapital or the relative merits of the Acquisition as compared to any alternative business strategies or transactions that might be available to Walker & Dunlop.**

The opinion does not constitute a recommendation to any shareholder of Walker & Dunlop as to how such shareholder should vote with respect to the Acquisition or any other matter. Walker & Dunlop encourages you to read KBW's opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by KBW.

Risk Factors (page 69)

The Acquisition involves several risks that you should carefully consider when deciding how to vote at the Special Meeting, including but not limited to the risks that:

The market price of our Common Stock may decline as a result of the Acquisition or the issuance of shares of our Common Stock;

The Acquisition will result in changes to our Board and management that may affect the strategy and operations of the Company;

The Acquisition is subject to a number of conditions, including the receipt of consents and clearances from domestic regulatory authorities that may not be obtained, may not be completed on a timely basis or may impose conditions that could have an adverse effect on us; and

Failure to complete the Acquisition could negatively impact our business, financial condition, results of operations or stock prices.

For further information regarding these risks, please see the section entitled "Risk Factors."

Interests of Directors and Executive Officers in the Acquisition (page 40)

None of the Company's directors or executive officers has any substantial financial interest, direct or indirect, in any matter to be acted upon, other than being a director or executive officer and a stockholder of the Company. Information regarding security ownership and equity compensation of our directors and executive officers is hereby incorporated by reference to the material appearing under the captions "Voting Securities of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" in the Company's 2012 annual stockholder meeting proxy statement, which was filed with the SEC on April 26, 2012.

Impact of the Stock Issuance on our Existing Stockholders (page 40)

If approved and implemented, the Share Issuance Proposal will dilute the ownership and voting interests of our existing stockholders. Assuming the issuance of approximately 11.6 million shares of

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Common Stock in connection with the Acquisition and no other issuances of shares of our Common Stock as of the date of approval by our stockholders, CW Financial would thereby receive approximately 34 percent, on a fully-diluted basis, of our Common Stock issued and outstanding immediately after the closing of such Acquisition (the "Closing"). Therefore, the ownership and voting interests of our existing stockholders will be proportionately reduced.

Material United States Federal Income Tax Consequences of the Acquisition to Walker & Dunlop and its Stockholders

Because our stockholders do not participate in the Acquisition, our stockholders will not recognize gain or loss in connection with the Acquisition with respect to their stock in Walker & Dunlop. There will be no material federal income tax consequences to Walker & Dunlop as a result of the Acquisition.

Accounting Treatment of the Acquisition (page 40)

We prepare our financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). Under GAAP, the Acquisition would be accounted for by applying the acquisition method, with Walker & Dunlop treated as the accounting acquirer.

No Appraisal Rights (page 41)

None of our stockholders will be entitled to exercise appraisal rights or to demand payment for his, her or its shares of our Common Stock in connection with the Acquisition.

Regulatory Approvals and Clearances (page 41)

The completion of the Acquisition is subject to various other conditions, including obtaining the approval of certain governmental and quasi-governmental authorities (including, but not limited to, Fannie Mae, Freddie Mac, Ginnie Mae, HUD and the Federal Housing Administration of HUD), and the termination and expiration of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act").

Purchase Agreement (page 44)

On June 7, 2012, Walker & Dunlop, the Purchaser, CW Financial and CWCcapital entered into the Purchase Agreement, providing for the acquisition of CWCcapital by our subsidiary, the Purchaser.

On the terms and subject to the conditions of the Purchase Agreement, the Purchaser will acquire all of CW Financial's interests in CWCcapital, for approximately \$220 million, net of certain expenses and adjustments. Of the \$220 million, \$80 million will be paid in cash from the Purchaser, through a combination of existing capital and debt financing (the "Financing") anticipated to be obtained by the Company. The remaining \$140 million will be paid through the issuance of a number of shares expected to equal 11,647,255 shares of Common Stock (which represents approximately 34 percent of the Company on a fully diluted basis), subject to adjustment as described below under "The Purchase Agreement" on page 44.

In connection with the transaction, CW Financial will be entitled to request an increase in the number of members of our Board from eight to eleven members, up to two of whom may be designated by CW Financial for each election of directors through the Company's annual meeting to be held in 2014. Our Board has adopted resolutions to automatically increase the number of members of our Board from eight to eleven members, effective as of the Closing.

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Voting Agreements (page 58)

Concurrently with the execution and delivery of the Purchase Agreement, William M. Walker, the Company's Chairman, President and Chief Executive Officer; Mallory Walker, Mr. Walker's father and the Company's second largest stockholder; Column Guaranteed LLC ("Column"), the Company's largest shareholder; Richard M. Lucas, Howard W. Smith, III, Richard C. Warner, and Deborah A. Wilson, all executive officers of the Company (together, the "Specified Stockholders"), have entered into voting agreements by which each has agreed to, among other things, vote in favor of the proposal to issue shares of the Company's stock in connection with the Purchase Agreement, against any proposal made to the stockholders of the Company that could reasonably be expected to result in any of the closing conditions in the Purchase Agreement not being fulfilled, and, other than Column, to appoint each executive officer of CW Financial as such Specified Stockholder's attorney-in-fact with respect to the voting for matters related to the Purchase Agreement. The voting agreements cover approximately 47 percent of the Common Stock. Further, the Specified Stockholders have agreed to certain customary restrictions on their ability to sell, encumber or otherwise dispose of their respective shares of Common Stock prior to the Closing (or, in the case of Column only, until the date of the Special Meeting or such earlier date on which the stockholder approval to issue shares of the Common Stock to CW Financial pursuant to the Purchase Agreement is obtained), subject to certain exceptions.

Registration Rights Agreement (page 60)

On the date on which the transactions contemplated by the Purchase Agreement close (the "Closing Date"), the Company will enter into a Registration Rights Agreement with CW Financial, pursuant to which the Company will agree, as soon as practicable after the Closing Date, to file with the SEC a registration statement to register for resale the shares of Common Stock to be issued to CW Financial pursuant to the Purchase Agreement.

Closing Agreement (page 63)

On the Closing Date, the Company will enter into a Closing Agreement with CW Financial and CWC Capital. Under the terms of the Closing Agreement, CW Financial and its subsidiaries will generally be subject to "standstill" provisions for the period during which CW Financial has a right to appoint Board designees. In addition, each of the Company and its subsidiaries and CW Financial and its subsidiaries will be subject to restrictive covenants, including non-solicitation of employees, confidentiality and non-disparagement covenants, and, in the case of CW Financial and its subsidiaries, a non-competition covenant, for a period of two years after the Acquisition. The Closing Agreement also provides that CW Financial will not transfer any of the shares of Common Stock issued to it pursuant to the Purchase Agreement prior to the 180th day following the Closing Date, except for transfers to one or more of CW Financial's affiliates. See "Closing Agreement" beginning on page 63.

Summary Historical Financial Data (page 73)

Summary Historical Consolidated Financial Data of Walker & Dunlop

The following table presents summary historical consolidated financial data for Walker & Dunlop as of and for the quarters ended March 31, 2012 and 2011 and as of and for the years ended December 31, 2011, 2010 and 2009, derived from our unaudited condensed consolidated interim financial statements included in our quarterly report on Form 10-Q for the quarter ended March 31, 2012 and our audited consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2011, which reports are incorporated by reference in this proxy statement. The summary financial data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and notes thereto for 2011, 2010 and 2009, which are included in our annual report on Form 10-K for the year ended December 31, 2011 and incorporated

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by reference in this proxy statement. The historical results do not necessarily indicate results expected for any future period.

(in thousands except share and per share amounts)	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,		
	2012 (unaudited)	2011 (unaudited)	2011	2010	2009
Statement of Income Data(1)(2)					
Revenues					
Gains from mortgage banking activities	\$ 19,802	\$ 16,827	\$ 102,712	\$ 85,203	\$ 57,946
Servicing fees	9,379	7,713	33,581	27,024	20,981
Net warehouse interest income	937	717	4,198	3,586	4,186
Escrow earnings and other interest income	539	370	1,474	2,056	1,769
Other	3,745	3,370	10,385	3,965	3,879
Total Revenues	\$ 34,402	\$ 28,997	\$ 152,350	\$ 121,834	\$ 88,761
Expenses					
Personnel	\$ 11,641	\$ 9,207	\$ 51,162	\$ 42,459	\$ 32,177
Amortization and depreciation	7,259	4,907	22,514	16,959	12,917
Provision for risk-sharing obligations, net	1,224	746	4,724	7,469	2,265
Interest expense on corporate debt	168	252	823	1,334	1,684
Other operating expenses	4,616	3,020	16,466	13,471	11,114
Total Expenses	\$ 24,908	18,132	\$ 95,689	\$ 81,692	\$ 60,157
Income from Operations	\$ 9,494	\$ 10,865	\$ 56,661	\$ 40,142	\$ 28,604
Gain on Bargain Purchase(3)	\$	\$	\$	\$	\$ 10,922
Income tax expense(1)(4)	\$ 3,655	\$ 4,226	\$ 21,797	\$ 31,915	\$
Net income(1)(4)	\$ 5,839	\$ 6,639	\$ 34,864	\$ 8,227	\$ 39,526
Basic earnings per share(1)(4)	\$ 0.27	\$ 0.31	\$ 1.61	\$ 0.55	
Diluted earnings per share(1)(4)	\$ 0.27	\$ 0.31	\$ 1.60	\$ 0.55	
Weighted average basic number of shares(4)	21,750,573	21,582,746	21,621,534	15,033,741	14,306,873
Weighted average diluted number of shares(4)	21,848,280	21,651,192	21,747,672	15,036,411	14,306,873
Pro forma net income data (unaudited)					
Income from operations, as reported				\$ 40,142	\$ 28,604
Pro forma income tax expense(1)(4)				15,535	11,070
Pro forma income from operations, net of tax(1)(4)				\$ 24,607	\$ 17,534
Bargain purchase gain					10,922
Pro forma net income(1)(4)				\$ 24,607	\$ 28,456
Pro forma basic and diluted earnings per share(1)(4)				\$ 1.64	\$ 1.99
Balance Sheet Data(1)					
Cash and cash equivalents	\$ 40,811	\$ 53,817	\$ 53,817	\$ 33,285	\$ 10,390
Restricted cash and pledged securities	24,682	26,123	26,123	18,861	19,159
Mortgage servicing rights	142,621	137,079	137,079	106,189	81,427
Loans held for sale	268,207	268,167	268,167	302,851	101,939
Total Assets	517,456	522,596	522,596	485,620	243,732
Warehouse notes payable	236,685	218,426	218,426	248,419	96,612
Notes payable	22,969	23,869	23,869	27,621	32,961
Total Liabilities	347,407	358,944	358,944	360,978	173,921
Total Equity	170,049	163,652	163,652	124,642	69,811
Supplemental Data(2)					
Operating margin	28%	37%	37%	33%	32%

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Total originations	\$ 674,465	\$ 507,497	\$ 4,025,917	\$ 3,171,618	\$ 2,229,772
Servicing portfolio	\$ 16,850,945	\$ 14,856,510	\$ 16,778,285	\$ 14,619,294	\$ 13,203,317

(1)

Our combined effective federal and state tax rate for the year ended December 31, 2011 was 38.5%. Our predecessor entities historically operated as pass-through tax entities (partnerships, LLCs and S-corporations). Accordingly, our historical earnings have resulted in only nominal federal and state corporate level expense. The tax liability has been the obligation of our owners. Upon closing of our initial public offering on December 20, 2010

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(the "IPO"), our tax status changed to a C-corporation and our income became subject to both federal and state corporate tax. Concurrent with the closing of certain formation transactions in connection with the IPO (through which Walker & Dunlop, LLC became a wholly owned subsidiary of Walker & Dunlop, Inc.) (the "Formation Transaction") and the Company's change in tax status, we recognized approximately \$31.6 million of net deferred tax liabilities. For the 12 days following the closing of the Formation Transaction, we recognized income tax expense of \$0.3 million. For the year ended December 31, 2010, we recognized aggregate tax expense of \$31.9 million; and recognized net deferred tax liabilities of \$30.2 million and current taxes payable of \$1.7 million at December 31, 2010. Our combined effective federal and state tax rate for income during the 12 days following the closing of the Formation Transaction was 38.7%. We used a combined effective federal and state tax rate of 38.7% to estimate our presented pro forma tax expense, as if the predecessor entities had been tax paying corporations for the years ended December 31, 2010, 2009, 2008, and 2007. In 2009, the Company recorded a gain on bargain purchase of \$10.9 million resulting from the January 2009 transaction through which, among other things, the Company, its affiliate Green Park Financial Limited Partnership, and Column Guaranteed LLC contributed their assets to the then newly formed Purchaser (the "Column transaction"). This gain is not considered taxable income, therefore the pro forma adjustment for income tax expense was calculated based upon income from operations, as reported, of \$28.6 million.

- (2) Statement of Income Data for the year ended December 31, 2009 includes the operating results for Walker & Dunlop, LLC's predecessor entities for January 2009 and the operating results for the combined entity for the 11 months following the Column transaction.
- (3) We recognized a gain on bargain purchase of \$10.9 million in connection with the Column transaction in January 2009. The gain on bargain purchase represents the difference between the fair value of the assets acquired and the purchase consideration paid.
- (4) Concurrently with the closing of the IPO in December 2010, the investors in the Walker & Dunlop predecessor entities individually and collectively combined the predecessor entities that had been previously operated and reported as companies under common control. These investors exchanged their member interests for their *pro rata* interest, adjusted for company-specific debt included in the transaction, in 14,741,504 shares in the then newly formed Purchaser. This transaction was reported for accounting purposes as a combination of companies under common control and the stock issuance was reported as a stock-split. In accordance with U.S. generally accepted accounting principles, all financial reports have been prepared as if the stock-split and the combination of the companies under common control had occurred prior to the earliest period presented; certain amounts have been reclassified to conform to the new presentation. The predecessor companies continue to exist as wholly owned subsidiaries of the Company.

Summary Historical Financial Data of CWCcapital

CWCcapital is a wholly owned operating subsidiary of CW Financial. On September 1, 2010, Galaxy Acquisition LLC ("Galaxy") acquired all of the membership interests in CW Financial from the former members, which resulted in CWCcapital becoming an indirect, wholly owned subsidiary of Galaxy. Galaxy is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC ("Fortress"). Pursuant to a Transfer Agreement dated as of October 17, 2011, Galaxy transferred its interests in CW Financial to its wholly owned subsidiary, CWFS Holdings LLC. For purposes of the discussion herein, CWFS Holdings LLC is disregarded.

The summary historical financial information of CWCcapital has been derived from the unaudited and audited financial statements of CWCcapital, which financial statements (other than the financial statements for the year ended November 30, 2007) are included in this proxy statement beginning on page F-2. The summary historical financial information and supplemental data as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the four-month period ended December 31, 2010, have been derived from the audited financial statements of CWCcapital for the period as of and following the acquisition of CW Financial by Galaxy on September 1, 2010 (the "Successor"). The summary historical financial information and supplemental data as of August 31, 2010 and November 30, 2009, 2008 and 2007, and for the nine-month period ended August 31, 2010, and the years ended November 30, 2009, 2008, and 2007, have been derived from the audited historical financial statements of CWCcapital for the period prior to the acquisition of CW Financial by Galaxy on September 1, 2010 (the "Predecessor"). For further information on the acquisition, see "CWCcapital Management's Discussion and Analysis of Financial Condition and Results of Operations Basis of Presentation."

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Certain financial statement items and the summary historical financial information of CWCcapital have been presented below and in "CWCcapital Management's Discussion and Analysis of Financial Condition and Results of Operations" to conform with the presentation contained in Walker & Dunlop's Annual Report on Form 10-K, incorporated by reference in this proxy statement. See "Selected Historical Financial Data of CWCcapital LLC" for further details.

	Three Months Ended March 31, (in thousands)	
	2012	2011
	(unaudited)	(unaudited)
Revenues		
Gains from mortgage banking	\$ 24,852	\$ 17,748
Servicing fees	7,742	5,028
Net warehouse interest income	830	616
Escrow earnings and other interest income	351	490
Other revenue	1,207	842
Total Revenue	\$ 34,982	\$ 24,724
Expenses		
Compensation expense	12,366	9,010
FV adjustments MSRs, amortization and depreciation	13,165	3,681
Provision for risk-sharing obligations	(1,257)	228
Other operating expenses	3,744	3,960
Total Expenses	\$ 28,018	\$ 16,879
Net income(1)	\$ 6,964	\$ 7,845

	As of March 31, (in thousands)	
	2012	2011
	(unaudited)	(unaudited)
Balance Sheet Data		
Cash and cash equivalents	\$ 24,165	\$ 25,206
Restricted cash	24,179	5,066
Mortgage servicing rights	115,052	110,137
Loans held for sale	267,585	104,357
Other assets	44,885	35,322
Total Assets	\$ 475,866	\$ 280,088
Warehouse notes payable	260,732	100,622
Risk share liability	29,421	7,061
Other liabilities	34,980	32,286
Total Liabilities	\$ 325,133	\$ 139,969
Total equity	\$ 150,733	\$ 140,119

(1) No provision has been made in CWCcapital's financial statements for federal income taxes because CWCcapital is a disregarded entity for federal tax purposes and its results are included in Galaxy's tax filings with the Internal Revenue Service.

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	Successor(1)			Predecessor(2)		
	2011	2010	2010	2009	2008	2007
	(in thousands)			(in thousands)		
Revenues						
Gains from mortgage banking(3)	\$ 102,454	\$ 47,724	\$ 37,021	\$ 29,403	\$ 10,461	\$ 24,840
Servicing fees	22,869	6,200	11,713	13,901	10,924	12,097
Net warehouse interest income	2,886	921	713	2,451	6,214	4,826
Escrow earnings and other interest income	1,730	666	1,350	1,085	6,027	9,382
Other revenue	3,701	636	1,633	1,195	596	1,271
Total Revenue	\$ 133,640	\$ 56,147	\$ 52,430	\$ 48,035	\$ 34,222	\$ 52,416
Expenses						
Compensation expense	48,429	15,128	20,647	17,337	18,757	23,322
FV adjustments MSR, amortization and depreciation(4)	40,279	957	11,066	12,112	10,808	13,270
Provision for risk-sharing obligations	1,689	25	2,992	1,605	372	(60)
Other operating expenses	17,376	5,550	22,095	37,092	19,856	36,081
Total Expenses	\$ 107,773	\$ 21,660	\$ 56,800	\$ 68,146	\$ 49,793	\$ 72,613
Net income (loss)(5)	\$ 25,867	\$ 34,487	\$ (4,370)	\$ (20,111)	\$ (15,571)	\$ (20,197)
Balance Sheet Data						
Cash and cash equivalents	21,773	32,812	25,542	12,240	27,920	38,802
Restricted cash	23,678	2,661	2,161	2,161	2,161	2,390
Mortgage servicing rights(4)	113,516	101,944	67,312	61,622	54,676	51,430
Loans held for sale	717,030	230,150	84,719	285,322	296,530	172,847
Other assets	61,685	43,798	44,599	9,093	7,342	11,181
Total Assets	\$ 937,682	\$ 411,365	\$ 224,333	\$ 370,438	\$ 388,629	\$ 276,650
Warehouse notes payable	695,216	232,552	82,452	285,303	296,027	173,959
Notes payable				2,138		10,000
Risk share liability	31,252	6,833	5,891	2,899	1,293	922
Other liabilities	67,637	39,706	46,453	13,557	26,158	44,802
Total Liabilities	\$ 794,105	\$ 279,091	\$ 134,796	\$ 303,897	\$ 323,478	\$ 229,683
Total equity	\$ 143,577	\$ 132,274	\$ 89,537	\$ 66,541	\$ 65,151	\$ 46,967

- (1) Summary financial data for the Successor includes balance sheet data as of December 31, 2011 and 2010, and income statement data for the year ended December 31, 2011 and for the four-month period September 1, 2010 through December 31, 2010.
- (2) The summary financial data for the Predecessor includes balance sheet data as of August 31, 2010, November 30, 2009, 2008 and 2007. The income statement data is for the nine-month period from December 1, 2009 through August 31, 2010, and years ended November 30, 2009, 2008, and 2007.
- (3) Effective December 1, 2009, CWC Capital changed its accounting policy to recognize the fair value of rate lock agreements ("rate locks"), commitments to sell securities and commitments to sell loans at inception, which includes the fair value of all future cash flows. Please refer to "CWC Capital Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies" for further information.
- (4) The Predecessor elected the amortization method to account for mortgage servicing rights ("MSRs") subsequent to initial recognition. The Successor elected to measure and carry its MSRs using the fair value option.

(5)

No provision has been made in CWCapital's financial statements for federal income taxes because CWCapital is a disregarded entity for federal tax purposes and its results are included in Galaxy's tax filings with the Internal Revenue Service.

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The following summary pro forma condensed combined financial information is based on the respective historical statements of Walker & Dunlop and CWCapital after giving effect to the Acquisition described below and elsewhere in this proxy statement and the assumptions and adjustments described in the section entitled "Unaudited Pro Forma Combined Financial Information" beginning on page 94.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

(In thousands, except share and per share data)

	March 31, 2012					March 31, 2012
	Walker & Dunlop	CWCapital	Pro Forma Adjustments			Pro Forma Combined
Assets						
Cash and cash equivalents	\$ 40,811	\$ 24,165	\$ (27,440)	A	\$	37,536
Restricted cash	5,083	24,179				29,262
Pledged securities, at fair value	19,599					19,599
Loans held for sale, at fair value	268,207	267,585				535,792
Loans held for investment	6,947					6,947
Servicing fees and other receivables, net	15,140	6,622				21,762
Derivative assets	10,264	32,136				42,400
Mortgage servicing rights	142,621	115,052	5,598	B		263,271
Goodwill			75,211	F		75,211
Intangible assets purchase related			3,402	D		3,402
Other assets	8,784	6,127	(1,800)	E		13,111
Total assets	\$ 517,456	\$ 475,866	\$ 54,971		\$	1,048,293
Liabilities and Stockholders' Equity						
Liabilities						
Accounts payable and other accrued expenses	\$ 56,216	\$ 10,907	\$ 75	D	\$	67,198
Performance deposits from borrowers	5,806	3,195				9,001
Derivative liabilities	762	20,878				21,640
Guaranty obligation, net of accumulated amortization	10,447		5,598	B		16,045
Allowance for risk-sharing obligations	14,522	29,421				43,943
Warehouse notes payable	236,685	260,732				497,417
Notes payable	22,969		60,031	A		83,000
Total liabilities	\$ 347,407	\$ 325,133	\$ 65,704		\$	738,244
Equity						
Stockholders' equity:						
Preferred share.	\$	\$	\$		\$	
Common stock, \$0.01 par value.	218		116	C		334
Additional paid-in capital	81,747	105,280	34,604	C		221,631
Retained earnings	88,084	45,453	(45,453)	C		88,084
Total stockholders' equity	\$ 170,049	\$ 150,733	\$ (10,733)		\$	310,049
Commitments and contingencies						
Total liabilities and stockholders' equity	\$ 517,456	\$ 475,866	\$ 54,971		\$	1,048,293

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Notes to Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2012

- A) To reflect the planned financing and cash consideration payment of \$80 million upon consummation of the Acquisition, as well as a \$7.5 million increase to the cash consideration pursuant to the terms of the excess working capital adjustment outlined in the Purchase Agreement, as of March 31, 2012. The level of working capital held by CWCapital is expected to fluctuate significantly and is expected to more closely approximate the target working capital, as defined in the Purchase Agreement, at the time of the Acquisition closing. Additionally, in conjunction with the closing of the Acquisition, we plan to repay our existing term debt with proceeds obtained through the Commitment Letter, increasing the total term debt outstanding at the close of the Acquisition to \$83 million.
- B) To reflect the gross presentation of the guaranty obligation associated with Fannie Mae DUS loans with risk-sharing obligations. CWCapital historically recorded the guaranty obligation as a component of the fair value of the associated mortgage servicing right ("MSR") resulting in a net MSR presentation; however, Walker & Dunlop records and presents the MSR and the guaranty obligation as an asset and a liability, respectively. The adjustment reflects the manner in which the MSRs and guaranty obligation will be presented following the consummation of the Acquisition.
- C) To reflect the value of the Common Stock to be issued to CW Financial as partial consideration (\$140 million, based upon the preliminary purchase price consideration) and the elimination of CWCapital's member's net equity balances.
- D) To reflect the preliminary purchase price allocation recognition of certain intangible assets and liabilities - above market lease liability, below market lease asset and a mortgage pipeline asset. The above and below market lease asset and liability reflect our estimation of the fair value of certain leases that will be assumed upon closing of the Acquisition and, upon closing, are expected to be amortized over the remaining lives of the respective leases. The mortgage pipeline asset recognized reflects the estimated fair value of the origination related fees and MSRs related to the loan applications and leads currently being processed by CWCapital. Due to the short lifecycle from application through rate lock, loan funding and subsequent sale, significant fluctuation is expected in the underlying application pipeline, and as a result, the value attributed to this asset at consummation of the Acquisition and final purchase price allocation may differ materially from the estimate provided herein.
- E) To reflect the adjustment to values of certain intangible, prepaid and other assets based upon estimated fair value in the business combination.
- F) To reflect the establishment of goodwill of \$75.2 million estimated as a result of the preliminary purchase price allocation detailed below.

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For the three months ended March 31, 2012
(In thousands, except share and per share data)

	Walker & Dunlop	CWCapital	Pro Forma Adjustments	Pro Forma Combined
Revenues				
Gains from mortgage banking activities	\$ 19,802	\$ 24,852	\$	\$ 44,654
Servicing fees	9,379	7,742		17,121
Net warehouse interest income	937	830		1,767
Escrow earnings and other interest income	539	351		890
Other	3,745	1,207		4,952
Total revenues	\$ 34,402	\$ 34,982	\$	\$ 69,384
Expenses				
Personnel	\$ 11,641	\$ 12,366	\$	\$ 24,007
Amortization and depreciation	7,259	290		7,549
Provision for risk-sharing obligations	1,224	(1,257)		(33)
Fair value losses MSR, net		12,875		12,875
Interest expense on corporate debt	168		579	747
Other operating expenses	4,616	3,744		8,360
Total expenses	\$ 24,908	\$ 28,018	\$ 579	\$ 53,505
Income from operations	\$ 9,494	\$ 6,964	\$ (579)	\$ 15,879
Income tax expense	3,655		2,458	6,113
Net income	\$ 5,839	\$ 6,964	\$ (3,037)	\$ 9,766
Basic and diluted earnings per share	\$ 0.27			\$ 0.29
Diluted earnings per share	\$ 0.27			\$ 0.29
Basic weighted average shares outstanding	21,750,573		11,647,255	33,397,828
Diluted weighted average shares outstanding	21,848,280		11,647,255	33,495,535

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

For the year ended December 31, 2011
(In thousands, except share and per share data)

	Walker & Dunlop	CWC Capital	Pro Forma Adjustments	Pro Forma Combined
Revenues				
Gains from mortgage banking activities	\$ 102,712	\$ 102,454	\$	\$ 205,166
Servicing fees	33,581	22,869		56,450
Net warehouse interest income	4,198	2,886		7,084
Escrow earnings and other interest income	1,474	1,730		3,204
Other	10,385	3,701		14,086
Total revenues	\$ 152,350	\$ 133,640	\$	\$ 285,990
Expenses				
Personnel	\$ 51,162	\$ 48,429	\$	\$ 99,591
Amortization and depreciation	22,514	96		22,610
Provision for risk-sharing obligations	4,724	1,689		6,413
Fair value losses MSRs, net		40,183		40,183
Interest expense on corporate debt	823		2,372	1 3,195
Other operating expenses	16,466	17,376		33,842
Total expenses	\$ 95,689	\$ 107,773	\$ 2,372	\$ 205,834
Income from operations	\$ 56,661	\$ 25,867	\$ (2,372)	\$ 80,156
Income tax expense	21,797		9,063	2 30,860

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