

VIRTUS INVESTMENT PARTNERS, INC.

Form 3

January 12, 2009

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

| | | | | |
|---|---------|--------------------------------------|--|---|
| 1. Name and Address of Reporting Person * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â BANK OF MONTREAL /CAN/ | | (Month/Day/Year) | VIRTUS INVESTMENT PARTNERS, INC. [VRTS] | |
| (Last) | (First) | 12/31/2008 | | |
| 100 KING STREET WEST,Â 1 FIRST CANADIAN PLACE | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | |
| TORONTO,Â A6Â M5X 1A1 | | | <input type="checkbox"/> Director | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | | <input checked="" type="checkbox"/> 10% Owner | <input type="checkbox"/> Form filed by One Reporting Person |
| | (Zip) | | <input type="checkbox"/> Officer | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | (give title below) | (specify below) |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 100 <u>(1)</u> | I <u>(1)</u> | See Footnote <u>(1)</u> |
| Common Stock | 2 <u>(2)</u> | I <u>(2)</u> | See Footnote <u>(2)</u> |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership |
|--|--|--|---------------------------|----------------------|--|
|--|--|--|---------------------------|----------------------|--|

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| | Date Exercisable | Expiration Date | (Instr. 4) Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | (Instr. 5) |
|---|------------------|-----------------|---|----------------------------|------------------------------|--|------------------|
| Series B Voting Convertible Preferred Stock | Â (3)(4) | Â (5)(6) | Common Stock | 1,724,126 (7) | \$ (5) (6) (7) | I (8) | See Footnote (8) |
| Put Right (right to sell) | Â (9) | Â (10) | Series B Voting Convertible Preferred Stock | 9,783 (9) | \$ (11) | I (8) | See Footnote (8) |
| Call Option (obligation to sell) | Â (12) | Â (13) | Series B Voting Convertible Preferred Stock | 9,783 (12) | \$ (14) | I (8) | See Footnote (8) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BANK OF MONTREAL /CAN/ 100 KING STREET WEST 1 FIRST CANADIAN PLACE TORONTO,Â A6Â M5X 1A1 | Â | Â X | Â | Â |
| HARRIS FINANCIAL CORP 111 W. MONROE STREET CHICAGO,Â ILÂ 60603 | Â | Â X | Â | Â |
| HARRIS BANKCORP INC 111 W. MONROE STREET CHICAGO,Â ILÂ 60603 | Â | Â X | Â | Â |

Signatures

| | |
|--|------------|
| /s/ Blair Morrison, Vice-President and Corporate Secretary, BANK OF MONTREAL | 01/12/2009 |
| __Signature of Reporting Person | Date |
| /s/ Terry Jenkins, Executive Vice President, HARRIS FINANCIAL CORP. | 01/12/2009 |
| __Signature of Reporting Person | Date |
| /s/ Terry Jenkins, Executive Vice President, HARRIS BANKCORP, INC. | 01/12/2009 |
| __Signature of Reporting Person | Date |

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) 100 shares of common stock (the "Trust Shares") of Virtus Investment Partners, Inc., formerly known as Virtus Holdings, Inc. (the "Issuer") are held in a bona fide fiduciary capacity in certain trust or investment accounts for the account of third parties. 91 shares of the Trust Shares are beneficially owned indirectly by Bank of Montreal, Harris Financial Corp. (a wholly-owned subsidiary of Bank of Montreal) and Harris Bankcorp, Inc. ("Harris", a wholly-owned subsidiary of Harris Financial Corp.), and directly by Harris N.A. (a wholly-owned subsidiary of Harris). 9 shares of the Trust Shares are beneficially owned indirectly by Bank of Montreal, Harris Financial Corp. and Harris RIA Holdings, Inc. (a wholly-owned subsidiary of Harris Financial Corp.), and directly by Sullivan, Bruyette, Speros & Blayney, Inc. (a wholly-owned subsidiary of Harris RIA Holdings, Inc.)
- (2) 2 shares of common stock are beneficially owned indirectly by Bank of Montreal, Bank of Montreal Holding Inc. (a wholly-owned subsidiary of Bank of Montreal), Bank of Montreal Securities Canada Limited (a wholly-owned subsidiary of Bank of Montreal Holding Inc.) and BMO Nesbitt Burns Corporation Limited (a wholly-owned subsidiary of Bank of Montreal Securities Canada Limited), and directly by BMO Nesbitt Burns Inc. (a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited).
- (3) Harris may convert the shares of Series B Voting Convertible Preferred Stock (the "Series B Preferred Stock") of the Issuer into shares of common stock at any time. Upon the delivery to the Issuer of a written consent or consents by holders of a majority in liquidation preference of the then outstanding shares of Series B Preferred Stock approving a mandatory conversion of the Series B Preferred Stock, all of the shares of the Series B Preferred Stock then outstanding will be automatically converted into shares of common stock. Under certain circumstances, no holder of Series B Preferred Stock will be entitled to receive shares of common stock upon their conversion to the extent (but only to the extent) that such receipt would cause such converting holder to become, directly or indirectly, (continue to footnote 4)
- (4) a beneficial owner of more than 24.9% of the shares of common stock outstanding and such receipt would result in the assignment of the investment advisory contracts to which the Issuer or any of its subsidiaries that is a registered investment adviser is a party. In addition, if for twenty trading days in any thirty consecutive trading day period the aggregate closing price of the common stock exceeds 175% of the then applicable conversion price of the Series B Preferred Stock, the Issuer may elect to cause each share of the Series B Preferred Stock held by a holder of the Series B Preferred Stock to be converted into shares of common stock, unless such holder of Series B Preferred Stock elects instead to forfeit thereafter its right to receive dividends paid on outstanding shares of common stock based on the number of shares of common stock into which such shares of Series B Preferred Stock could be converted.
- (5) There is no expiration date for the conversion. However, at any time after the six-year anniversary of October 31, 2008, all (but not less than all) of the outstanding shares of Series B Preferred Stock may be redeemed, at the election of the Issuer, at a price per share equal to the liquidation preference of the Series B Preferred Stock thereof (which shall not be less than \$1,000) plus interest thereon, from the last dividend payment date to the effective date of such redemption, at a rate of LIBOR plus 3 percent per annum. (continue to footnote 6)
- (6) In addition, at any time and from time to time no earlier than the seven-year anniversary of October 31, 2008, shares of Series B Preferred Stock will be redeemed by the Issuer, at the election of the holder, at a price per share equal to the liquidation preference of the Series B Preferred Stock (which shall not be less than \$1,000) plus interest from the last dividend payment date to the effective date of such redemption, at a rate of LIBOR plus 3 percent per annum after receipt by the Issuer from any holder of Series B Preferred Stock of written notice requesting redemption of all or any portion of the outstanding shares of Series B Preferred Stock held by such holder.
- (7) As of the date of this Form 3, each share of Series B Preferred Stock is convertible into 38.3139 shares of common stock of the Issuer, and the entire 45,000 shares of Series B Preferred Stock beneficially owned by Bank of Montreal, Harris Financial Corp. and Harris are convertible, in the aggregate, into 1,724,126 shares of common stock. The number of shares issuable upon the conversion of the Series B Preferred Stock may be adjusted from time to time in accordance with certain customary anti-dilution protection provisions and the amount of accumulated and unpaid dividends as set forth in the certificate of designations of the Series B Preferred Stock.
- (8) Harris is the direct beneficial owner of each of the securities reported in Table II and Bank of Montreal and Harris Financial Corp. are the indirect owners of such securities.
- (9) Pursuant to an Investment and Contribution Agreement (the "Investment Agreement"), dated October 30, 2008, by and among Phoenix Investment Management Company, the Issuer, Harris and Phoenix Companies, Inc., Harris has a put right, pursuant to which the Issuer, at any time on or after the three-year anniversary of October 31, 2008, is required to purchase 9,783 shares of Series B Preferred Stock.
- (10) The put right will expire if, at any time after December 31, 2008, the average closing price for the common stock during any five consecutive trading day period exceeds the conversion price per share of the Series B Preferred Stock, as adjusted from time to time. The put right will also expire in the event that Harris converts any or all of the 9,783 shares of Series B Preferred Stock into common stock, but in the event that Harris converts some but not all of the 9,783 shares of Series B Preferred Stock into common stock, the put right will expire only with respect to such converted shares.
- (11)

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The Issuer is required to purchase the 9,783 shares of Series B Preferred Stock put to it by Harris for a purchase price per share equal to the liquidation preference of a share of Series B Preferred Stock (which shall not be less than \$1,000 and shall include all accumulated and unpaid dividends and accrued interest thereon to the closing date of the put right) payable by the Issuer in cash or, at the election of the Issuer, in the form of two senior promissory notes of the Issuer.

- (12) Pursuant to the Investment Agreement, the Issuer has a call option, pursuant to which, at any time after October 31, 2008 and prior to any exercise by Harris of its put right, it may purchase from Harris 9,783 shares of Series B Preferred Stock on not less than five days' notice from the Issuer to Harris, which notice shall include the intended date of settlement.

The call option will expire if, at any time after December 31, 2008, the average closing price for the common stock during any five consecutive trading day period exceeds the conversion price per share of the Series B Preferred Stock, as adjusted from time to time.

- (13) The call option will also expire in the event that Harris converts any or all of the 9,783 shares of Series B Preferred Stock into common stock, but in the event that Harris converts some but not all of the 9,783 shares of Series B Preferred Stock into common stock, the call option will expire only with respect to such converted shares.

The Issuer will repurchase the 9,783 shares of Series B Preferred Stock called by it from Harris for a purchase price per share equal to the liquidation preference of a share of Series B Preferred Stock (which shall not be less than \$1,000 and shall include all accumulated and unpaid dividends and accrued interest thereon to the closing date of the call option).

- (14) Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.