

Brookdale Senior Living Inc.
Form 424B4
May 29, 2014
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Filed Pursuant to Rule 424(b)(4)
Registration No. 333-174766

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Maximum offering price per share	Maximum aggregate offering price	Amount of registration fee
Common Stock, par value \$0.01 per share	19,421,384	\$33.00	\$640,905,672	\$82,549

(1) Calculated in accordance with Rule 457(r) promulgated under the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated June 7, 2011)

19,421,384 Shares

Brookdale Senior Living Inc.

Common Stock

The selling stockholders identified in this prospectus supplement are offering 19,421,384 shares of our common stock in this offering. We will not receive any proceeds from the sale of our common stock by the selling stockholders. After this offering, funds managed by affiliates of Fortress Investment Group LLC (Fortress) and various principals of Fortress, in the aggregate, will no longer own any of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol BKD . The last reported sale price of our common stock on May 27, 2014 was \$33.16 per share.

*Investing in our common stock involves a high degree of risk. See **Risk Factors** on page S-9 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus carefully before you make your investment decision.*

	<i>Per</i>	
	<i>Share</i>	<i>Total</i>
<i>Public offering price</i>	<i>\$33.00</i>	<i>\$640,905,672</i>

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<i>Underwriting discount</i>	\$1.00	\$19,421,384
<i>Proceeds, before expenses, to the selling stockholders</i>	\$32.00	\$621,484,288

Neither the Securities and Exchange Commission, state securities regulators, nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about June 2, 2014.

Sole Book-Running Manager

Morgan Stanley

The date of this prospectus supplement is May 27, 2014

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Prospectus

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We, the selling stockholders and the underwriter have not authorized anyone to provide you with different information or to make representations as to matters not stated or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus required to be filed with the Securities and Exchange Commission, or SEC. You must not rely on unauthorized information. This prospectus supplement and the accompanying prospectus may be used only where it is legal to sell these securities. The information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is only accurate on the

respective dates of such documents.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is comprised of two parts. The first part is this prospectus supplement, which describes the terms of the offering of the shares of common stock 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 is the accompanying prospectus, which provides more general information. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated herein and therein by reference, on the other hand, you should rely on the information in this prospectus supplement.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement, the accompanying prospectus and any documents incorporated by reference (including statements with respect to the Merger and the transactions contemplated by the Master Agreement (each as defined herein)) may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements include all statements that are not historical statements of fact and those regarding our intent, belief or expectations, including, but not limited to, statements relating to our operational initiatives and growth strategies and our expectations regarding their effect on our results; our expectations regarding the economy, the senior living industry, occupancy, revenue, cash flow, operating income, expenses, capital expenditures, Program Max opportunities, cost savings, the demand for senior housing, the home resale market, expansion, development and construction activity, acquisition opportunities, asset dispositions, our share repurchase program, taxes, capital deployment, returns on invested capital and cash flow from operating activities; our expectations regarding returns to shareholders and our growth prospects; our expectations concerning the future performance of recently acquired communities and the effects of acquisitions on our financial results; our ability to secure financing or repay, replace or extend existing debt at or prior to maturity; our ability to remain in compliance with all of our debt and lease agreements (including the financial covenants contained therein); our expectations regarding liquidity and leverage; our expectations regarding financings and refinancings of assets (including the timing thereof) and their effect on our results; our expectations regarding changes in government reimbursement programs and their effect on our results; our plans to generate growth organically through occupancy improvements, increases in annual rental rates and the achievement of operating efficiencies and cost savings; our plans to expand our offering of ancillary services (therapy, home health and hospice); our plans to expand, renovate, redevelop and reposition existing communities; our plans to acquire additional communities, asset portfolios, operating companies and home health agencies; the expected project costs for our expansion, redevelopment and repositioning program; our expected levels of expenditures and reimbursements (and the timing thereof); our expectations regarding our sales, marketing and branding initiatives and their impact on our results; our expectations for the performance of our entrance fee communities; our ability to anticipate, manage and address industry trends and their effect on our business; our expectations regarding the payment of dividends; our ability to increase revenues, earnings, Adjusted EBITDA, Cash From Facility Operations, and/or Facility Operating Income (as such terms are defined by incorporation by reference herein); and our expectations regarding the Merger and the transactions contemplated by the Master Agreement. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, endeavor, seek, anticipate, overestimate, underestimate, believe, could, would, project, predict, continue, plan or other similar words or expressions. Forward-looking statements are based on certain assumptions or estimates, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition, or state other forward-looking information. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although we believe that expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and actual results and performance could differ materially from those projected. Factors which could have a material adverse effect on our operations and future

prospects or

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which could cause events or circumstances to differ from the forward-looking statements include, but are not limited to, the risk associated with the current global economic situation and its impact upon capital markets and liquidity; changes in governmental reimbursement programs; our inability to extend (or refinance) debt (including our credit and letter of credit facilities) as it matures; the risk that we may not be able to satisfy the conditions precedent to exercising the extension options associated with certain of our debt agreements; events which adversely affect the ability of seniors to afford our monthly resident fees or entrance fees; the conditions of housing markets in certain geographic areas; our ability to generate sufficient cash flow to cover required interest and long-term operating lease payments; the effect of our indebtedness and long-term operating leases on our liquidity; the risk of loss of property pursuant to our mortgage debt and long-term lease obligations; the possibilities that changes in the capital markets, including changes in interest rates and/or credit spreads, or other factors could make financing more expensive or unavailable to us; our determination from time to time to purchase any shares under the repurchase program; our ability to fund any repurchases; our ability to effectively manage our growth; our ability to maintain consistent quality control; delays in obtaining regulatory approvals; the risk that we may not be able to expand, redevelop and reposition our communities in accordance with our plans; our ability to complete acquisitions and integrate them into our operations; competition for the acquisition of assets; our ability to obtain additional capital on terms acceptable to us; a decrease in the overall demand for senior housing; our vulnerability to economic downturns; acts of nature in certain geographic areas; terminations of our resident agreements and vacancies in the living spaces we lease; early terminations or non-renewal of management agreements; increased competition for skilled personnel; increased union activity; departure of our key officers; increases in market interest rates; environmental contamination at any of our communities; failure to comply with existing environmental laws; an adverse determination or resolution of complaints filed against us; the cost and difficulty of complying with increasing and evolving regulation; risks relating to the Merger and the transactions contemplated by the Master Agreement, including in respect of the satisfaction of closing conditions to such transactions; unanticipated difficulties and/or expenditures relating to such transactions; the risk that regulatory approvals required for such transactions are not obtained or are obtained subject to conditions that are not anticipated; uncertainties as to the timing of such transactions; litigation relating to such transactions; the impact of such transactions on each company's relationships with residents, employees and third parties; and the inability to obtain, or delays in obtaining, cost savings and synergies from such transactions; as well as other risks detailed from time to time in our filings with the SEC, press releases and other communications, including those set forth under "Risk Factors" on page S-9 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Such forward-looking statements speak only as of the date of this prospectus supplement. We expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, carefully before making an investment decision, especially the risks of investing in our common stock discussed under Risk Factors herein and therein and the consolidated financial statements and notes to those consolidated financial statements incorporated by reference herein and therein.

Unless the context suggests otherwise, references in this prospectus supplement to Brookdale, the Company, we, us and our refer to Brookdale Senior Living Inc. and its direct and indirect subsidiaries, except where it is clear that the term refers only to the parent company. References in this prospectus supplement to Fortress refer to Fortress Investment Group LLC and certain of its affiliates. References in this prospectus supplement to selling stockholders refer to our stockholders described in the section herein entitled Selling Stockholders.

Brookdale Senior Living Inc.

As of March 31, 2014, we are the largest operator of senior living communities in the United States based on total capacity, with 647 communities in 36 states and the ability to serve approximately 66,000 residents. We offer our residents access to a full continuum of services across the most attractive sectors of the senior living industry. As of March 31, 2014, we operated in six business segments: retirement centers, assisted living, continuing care retirement communities, or CCRCs, rental, CCRCs entry fee, Brookdale Ancillary Services (formerly known as Innovative Senior Care) and management services.

As of March 31, 2014, we operated 74 retirement center communities with 14,256 units, 440 assisted living communities with 22,483 units, 26 rental CCRC communities with 6,527 units, 15 entry fee CCRC communities with 6,062 units and 92 communities with 16,996 units where we provide management services for third parties or joint ventures in which we have an ownership interest. We offer therapy services to approximately 52,100 of our units and home health services to approximately 47,300 of our units. The majority of our units are located in campus settings or communities containing multiple services, including CCRCs. For the quarter ended March 31, 2014, the weighted average occupancy rate for our owned/leased communities was 88.6%. We generate approximately 80.0% of our resident fee revenues from private pay customers. For the three months ended March 31, 2014, 42.2% of our resident and management fee revenues were generated from owned communities, 47.0% from leased communities, 9.7% from our Brookdale Ancillary Services business and 1.1% from management fees from communities we operate on behalf of third parties or joint ventures in which we have an ownership interest.

Our principal executive offices are located at 111 Westwood Place, Suite 400, Brentwood, Tennessee 37027 and our telephone number at that address is (615) 221-2250. Our website address is www.brookdale.com. The information on, or accessible through, our website is not part of this prospectus supplement or the accompanying prospectus and should not be relied upon in connection with making any investment decision with respect to the securities offered by this prospectus supplement and the accompanying prospectus.

Recent Developments

Merger Agreement

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On February 20, 2014, we entered into an Agreement and Plan of Merger (the Merger Agreement) with Emeritus Corporation, a Washington corporation (Emeritus), and Broadway Merger Sub Corporation, a

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Delaware corporation and our wholly owned subsidiary (Merger Sub). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Emeritus (the Merger), with Emeritus continuing as the surviving corporation and our wholly owned subsidiary.

Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger, each issued and outstanding share of common stock, par value \$0.0001 per share (Emeritus Common Stock), of Emeritus (including each restricted share of Emeritus Common Stock, but not including any shares (x) held by us or Emeritus or any of our or their wholly owned subsidiaries and (y) with respect to which appraisal rights are properly demanded and not withdrawn under Washington law (Dissenting Shares)), will be automatically converted into the right to receive 0.95 of a share (the Exchange Ratio) of our common stock. The Merger Agreement provides that each option to purchase Emeritus Common Stock, whether vested or unvested (an Emeritus Option), will be canceled at the effective time of the Merger. Any Emeritus Option with an exercise price that is less than the implied dollar value of the per share consideration to be received in the Merger (valuing our common stock at its volume weighted average price over the 10 trading days immediately preceding the completion of the Merger) will be converted into the right to receive a number of shares of our common stock (net of any required withholding taxes) equal to the product of (x) the number of shares of Emeritus Common Stock subject to the Emeritus Option multiplied by (y) the excess of the implied dollar value of the per share consideration (based on the volume weighted average described above) over the exercise price of the Emeritus Option. Any Emeritus Option with an exercise price that is equal to or greater than the implied dollar value of the per share consideration to be received in the Merger as described above will automatically be terminated without the payment of any consideration.

The consummation of the Merger is subject to satisfaction or waiver of certain conditions, including, among others: (i) the approval of our and Emeritus stockholders; (ii) the absence of any law or order prohibiting the closing; (iii) the receipt of certain federal and state government approvals necessary for the ownership, operation and management of Emeritus senior living facilities and expiration of notice periods for the same, subject to certain exceptions; (iv) the continuing effectiveness or receipt, as applicable, of certain third-party consents, subject to certain exceptions; (v) the accuracy of each party s representations and warranties, subject to certain materiality qualifiers; (vi) the performance in all material respects of each party s obligations under the Merger Agreement; (vii) no more than 7.5% of the shares of Emeritus Common Stock being Dissenting Shares; and (viii) the absence of any change, event or development that would reasonably be expected to have either a Parent Material Adverse Effect or a Company Material Adverse Effect (each as defined in the Merger Agreement).

The Merger is expected to close during the third quarter of 2014, although there can be no assurance that the Merger will close or, if it does, when the actual closing will occur.

The Merger is addressed at length in our Registration Statement on Form S-4 that we filed with the SEC on May 22, 2014, and is available on the SEC s website at www.sec.gov.

Master Agreement

On April 23, 2014, the Company and HCP, Inc., a Maryland corporation (HCP), entered into a Master Contribution and Transactions Agreement (the Master Agreement). At the closing contemplated by the Master Agreement, the Company and HCP will enter into two joint venture transactions and amend the terms of certain existing agreements between the Company and HCP and/or certain of their respective affiliates, and between Emeritus and HCP and/or certain of their respective affiliates referred to herein as the HCP Transactions . At the closing, the Company and HCP will enter into a joint venture (CCRCs JV) with respect to certain continuing care retirement / entrance fee communities currently owned by HCP or the Company and leased and/or operated by the Company. The Company will own a 51% ownership interest, and HCP will own a 49% ownership interest in the CCRCs JV. Additionally at the

closing, the Company and HCP will enter into a joint

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venture (RIDEA JV) with respect to certain independent living, assisted living, memory care and/or skilled nursing care communities currently owned by HCP and leased and operated by Emeritus. The Company will own a 20% ownership interest, and HCP will own an 80% ownership interest in the RIDEA JV. Lastly, at the closing, the Company and HCP will amend and restate certain triple net leases (NNN-Leased Portfolio) between Emeritus and affiliates of HCP in respect of 153 communities, which amended and restated leases will provide for the creation of multiple pools of master leases. The amended and restated leases will provide for lower future rent payments and escalations compared to the existing leases. HCP has agreed to make available up to \$100 million for capital expenditures related to the communities in the NNN-Leased Portfolio during calendar years 2014 through 2017 at an initial lease rate of 7.0%. In connection with the transactions contemplated by the Master Agreement, Brookdale and HCP have also agreed that Brookdale will waive the purchase option rights granted by HCP to Emeritus pursuant to 49 of the existing Emeritus leases. The closing is subject to a number of conditions, including the prior or concurrent closing of the Merger between the Company and Emeritus.

Fortress Stockholders Agreement and Letter Agreement

Under that certain Stockholders Agreement, dated as of November 28, 2005, by and among us and the stockholders named therein (as amended, the Fortress Stockholders Agreement), FIG LLC, an affiliate of Fortress, is permitted to designate a specified number of individuals to be elected to our board of directors depending on the percentage of voting power of our securities beneficially owned by certain Fortress investment funds and their affiliates and permitted transferees (the Fortress Stockholders). Insofar as currently relevant, for so long as the Fortress Stockholders beneficially own (i) less than 25% but more than 10% of the voting power of the Company, FIG LLC shall be entitled to designate two directors and (ii) less than 10% but more than 5% of the voting power of the Company, FIG LLC shall be entitled to designate one director. Wesley R. Edens and Randal A. Nardone currently serve as the two designees of FIG LLC on our board of directors. The Fortress Stockholders Agreement provides that in the event the number of directors FIG LLC is entitled to designate decreases due to a reduction in voting power, FIG LLC shall take reasonable actions to cause a sufficient number of designated directors to resign from the board at or prior to the end of such designated director's term so that the number of designated directors after the resignation(s) equals the number of directors FIG LLC would have been entitled to designate.

In connection with the execution of the Merger Agreement, we concurrently entered into a letter agreement (the Fortress Letter Agreement) with certain of our stockholders that are party to the Fortress Stockholders Agreement providing, among other things, that, notwithstanding the terms of the Fortress Stockholders Agreement, in the event that at any time the Fortress Stockholders have beneficial ownership of (i) less than 10% of the voting power of the Company, FIG LLC shall cause one director designated by it to immediately resign from our board, and (ii) less than 5,000,000 shares of the Company's common stock, FIG LLC shall cause the remaining director designated by it to immediately resign from our board.

Upon completion of this offering, the Fortress Stockholders will no longer own any of our common stock. As a result, in accordance with the Fortress Letter Agreement, upon completion of this offering, each of Messrs. Edens and Nardone will resign from our board of directors.

The Fortress Letter Agreement also provides for, among other things, the Fortress Stockholders' agreement to vote all of the shares of our common stock to the extent held by them as of the applicable record date for our special meeting of stockholders in favor of the transactions contemplated by the Merger Agreement. The record date for our special meeting is currently set as May 12, 2014. While it is possible that this record date may be reset to be a later date (depending on, among other things, the expected timing of the mailing of the joint proxy statement/prospectus included in our Registration Statement on Form S-4 filed in connection with the Merger), if the record date is not reset, purchasers of the shares of our common stock offered hereby will not be entitled to vote these shares at such

special meeting of stockholders.

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Fortress

Fortress is a leading, highly diversified global investment management firm with approximately \$62.5 billion in assets under management as of March 31, 2014. Founded in 1998, Fortress manages assets on behalf of over 1,500 institutional clients and private investors worldwide across a range of private equity, credit, liquid hedge funds and traditional asset management strategies.

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THE OFFERING

Common stock offered by the selling stockholders in this offering	19,421,384 shares
Use of proceeds	We will not receive any proceeds from the sale of our common stock by the selling stockholders.
New York Stock Exchange symbol	BKD
Risk factors	Please read the section entitled Risk Factors on page S-9 of this prospectus supplement and in the documents incorporated by reference for a discussion of some of the factors you should carefully consider before deciding to invest in our common stock.

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The following table sets forth certain summary consolidated financial information on a historical basis.

The summary consolidated financial information set forth below as of December 31, 2013 and 2012 and for each of the three years ended December 31, 2013, has been derived from our audited consolidated financial statements, which are incorporated herein by reference. The balance sheet data as of December 31, 2011 has been derived from our audited consolidated financial statements, which are not incorporated herein by reference. The summary historical financial information set forth below as of March 31, 2014 and 2013, and for the three months ended March 31, 2014 and 2013, has been derived from our unaudited interim condensed consolidated financial statements, which have been incorporated herein by reference. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

The unaudited pro forma statement of condensed consolidated operations data and the balance sheet data have been derived from and should be read in conjunction with Emeritus and the Company's respective unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2014, and Emeritus and the Company's respective audited consolidated financial statements as of and for the year ended December 31, 2013, each of which have been incorporated herein by reference.

The unaudited pro forma statement of condensed consolidated operations data reflects adjustments to the historical consolidated statement of operations to give effect to the Merger and the HCP Transactions in the manner described under Unaudited Pro Forma Condensed Consolidated Financial Statements, and the notes thereto incorporated by reference from our Current Report on Form 8-K filed on May 27, 2014, as if they had taken place on January 1, 2013. The selected unaudited pro forma condensed consolidated balance sheet data gives effect to the Merger and the HCP Transactions as if they both had occurred on March 31, 2014. The unaudited pro forma statement of condensed consolidated operations data and the balance sheet data have been prepared for illustrative purposes only and are not necessarily indicative of our results of operations had the Merger and the HCP Transactions actually occurred on the date assumed, nor is such unaudited pro forma statement of condensed consolidated operations data or the balance sheet data necessarily indicative of the results to be expected for any future period. A number of factors may affect our results. See Cautionary Statement Regarding Forward-Looking Statements herein and Risk Factors included and incorporated by reference herein.

	Pro Forma for the Three Months Ended March 31, 2014			Pro Forma for the Year Ended December 31, 2013			For the Years Ended December 31, 2013 2012 2011		
<u>Statements of Operations</u> (in thousands)									
Total revenue	\$ 1,211,944	\$ 747,275	\$ 712,266	\$ 4,741,751	\$ 2,891,966	\$ 2,768,738	\$ 2,456,483		
	685,510	429,870	413,003	2,683,856	1,671,945	1,630,919	1,508,571		

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Facility operating expense							
General and administrative expense	74,603	55,509	46,611	307,348	184,548	178,829	148,327
Facility lease expense	100,894	69,869	69,019	383,002	276,729	284,025	274,858
Depreciation and amortization	116,600	70,316	64,659	878,242	268,757	252,281	268,506
Gain on facility lease termination						(11,584)	
Loss (gain) on acquisition						636	(1,982)
Asset impairment	1,023			21,118	12,891	27,677	16,892
Costs incurred on behalf of managed communities	165,998	89,563	80,287	646,305	345,808	325,016	152,566
Total operating expense	1,144,628	715,127	673,579	4,919,871	2,760,678	2,687,799	2,367,738
Income (loss) from operations	67,316	32,148	38,687	(178,120)	131,288	80,939	88,745
Interest income	430	321	303	1,801	1,339	4,012	3,538

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	Pro Forma for the Three Months Ended March 31, 2014	For the Three Months Ended March 31, 2014 2013		Pro Forma for the Year Ended December 31, 2013	For the Years Ended December 31, 2013 2012 2011		
Interest expense:							
Debt	(98,400)	(29,998)	(30,971)	(401,183)	(121,325)	(128,338)	(124,873)
Amortization of deferred financing costs and debt premium (discount), net	1,981	(4,018)	(4,569)	6,983	(17,054)	(18,081)	(13,427)
Change in fair value of derivatives and amortization	(1,044)	(847)	135	387	980	(364)	(3,878)
Loss on extinguishment of debt				(1,265)	(1,265)	(221)	(18,863)
Equity in earnings (loss) of unconsolidated ventures	1,719	636	115	(9,146)	1,484	(3,488)	1,432
Other non-operating income	835	465	1,006	6,198	2,725	593	56
(Loss) income before income taxes	(27,163)	(1,293)	4,706	(574,345)	(1,828)	(64,948)	(67,270)
Benefit (provision) for income taxes	8,893	(1,006)	(1,148)	221,599	(1,756)	(1,519)	(1,780)
Net (loss) income	\$ (18,270)	\$ (2,299)	\$ 3,558	\$ (352,746)	\$ (3,584)	\$ (66,467)	\$ (69,050)
Basic net (loss) earnings per share	\$ (0.11)	\$ (0.02)	\$ 0.03	\$ (2.07)	\$ (0.03)	\$ (0.54)	\$ (0.57)
Diluted (loss) earnings per share	\$ (0.11)	\$ (0.02)	\$ 0.03	\$ (2.07)	\$ (0.03)	\$ (0.54)	\$ (0.57)
Weighted average shares used in computing basic (loss) earnings per share	171,154	124,478	122,823	170,347	123,671	121,991	121,161
Weighted average shares used in computing diluted	171,154	124,478	124,391	170,347	123,671	121,991	121,161

(loss) earnings per
share

	Pro Forma as of					
	March 31, 2014	As of March 31, 2014 2013		As of December 31, 2013 2012 2011		
Balance Sheet Data						
(in millions)						
Cash and cash equivalents	\$ 71.8	\$ 45.7	\$ 28.2	\$ 58.5	\$ 69.2	\$ 30.8
Total assets	\$ 10,251.9	\$ 4,719.6	\$ 4,620.9	\$ 4,737.8	\$ 4,706.8	\$ 4,503.4
Total debt	\$ 6,418.3	\$ 2,634.4	\$ 2,638.9	\$ 2,636.6	\$ 2,679.4	\$ 2,463.6
Total stockholders equity	\$ 2,485.7	\$ 1,026.7	\$ 1,007.9	\$ 1,020.9	\$ 997.0	\$ 1,035.3

	For the Three Months Ended March 31,		For the Years Ended December 31,		
	2014	2013	2013	2012	2011
Other Operating Data					
Total number of communities (at end of period)	647	649	649	647	647
Total units operated ⁽¹⁾					
Period end	65,584	66,127	65,832	65,936	66,183
Weighted average	65,720	66,067	66,173	66,102	55,548
Owned/leased communities occupancy rate (weighted average)	88.6%	88.5%	88.7%	88.0%	87.3%
Senior Housing average monthly revenue per unit ⁽²⁾	\$ 4,491	\$ 4,375	\$ 4,383	\$ 4,271	\$ 4,193

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	Three Months Ended March 31,		Twelve Months Ended December 31,	
	2014	2013	2013	2012
<u>Selected Segment Operating and Other Data</u>				
(dollars in thousands, except average monthly revenue per unit)				
Retirement Centers				
Number of communities (period end)	74	76	76	76
Total units ⁽¹⁾				
Period end	14,161	14,429	14,454	14,433
Weighted average	14,161	14,429	14,439	14,445
Occupancy rate (weighted average)	89.3%	89.5%	89.8%	89.1%
Senior Housing average monthly revenue per unit ⁽²⁾	\$ 3,490	\$ 3,328	\$ 3,381	\$ 3,263
Assisted Living				
Number of communities (period end)	440	431	438	433
Total units ⁽¹⁾				
Period end	22,440	21,446	22,158	21,551
Weighted average	22,435	21,556	21,679	21,625
Occupancy rate (weighted average)	89.6%	89.1%	89.7%	88.9%
Senior Housing average monthly revenue per unit ⁽²⁾	\$ 4,599	\$ 4,523	\$ 4,510	\$ 4,390
CCRCs Rental				
Number of communities (period end)	26	27	26	27
Total units ⁽¹⁾				
Period end	6,470	6,688	6,478	6,691
Weighted average	6,457	6,687	6,669	6,667
Occupancy rate (weighted average)	86.6%	87.6%	86.8%	86.3%
Senior Housing average monthly revenue per unit ⁽²⁾	\$ 5,839	\$ 5,709	\$ 5,715	\$ 5,588
CCRCs Entry Fee				
Number of communities (period end)	15	14	14	14
Total units ⁽¹⁾				
Period end	5,529	5,287	5,332	5,263
Weighted average	5,527	5,281	5,303	5,210
Occupancy rate (weighted average)	84.7%	84.6%	84.2%	83.7%
Senior Housing average monthly revenue per unit ⁽²⁾	\$ 5,124	\$ 5,011	\$ 5,013	\$ 4,978
Other Entry Fee Data				
Non-refundable entrance fees sales	\$ 9,035	\$ 9,237	\$ 44,191	\$ 40,105
Refundable entrance fees sales	5,924	7,636	48,140	42,600
Total entrance fee receipts	14,959	16,873	92,331	82,705
Refunds	(8,446)	(9,320)	(35,325)	(27,356)
Net entrance fees	\$ 6,513	\$ 7,553	\$ 57,006	\$ 55,349

Management Services				
Number of communities (period end)	92	101	95	97
Total units⁽¹⁾				
Period end	16,984	18,277	17,410	17,998
Weighted average	17,140	18,114	18,083	18,155
Occupancy rate (weighted average)	86.3%	84.9%	85.4%	84.5%
Brookdale Ancillary Services				
Outpatient Therapy treatment codes	812,632	821,308	3,325,129	3,566,654
Home Health average census	5,084	4,289	4,498	3,710

- (1) Period end units operated excludes equity homes. Weighted average units operated represents the average units operated during the period, excluding equity homes.
- (2) Senior Housing average monthly revenue per unit represents the average of the total monthly resident fee revenues, excluding amortization of entrance fees and Brookdale Ancillary Services segment revenue, divided by average occupied units.

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RISK FACTORS

Investing in shares of our common stock involves a high degree of risk. Before deciding to invest in our common stock, you should carefully consider the following risks related to the Merger as well as the risk factors incorporated by reference in this prospectus supplement, including in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our Quarterly Report on Form 10-Q for the three months ended March 31, 2014, as well as other information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. The occurrence of any of these risks could materially and adversely affect our business, prospects, financial condition, results of operations and cash flow, in which case, the trading price of our shares of common stock would decline and you could lose all or part of your investment.

Risks Relating to the Merger

Failure to complete the Merger could negatively affect the share prices, future businesses and financial results of us and Emeritus.

Completion of the Merger is not assured and is subject to risks, including the risks that approval of the transaction by shareholders of Brookdale and Emeritus or by governmental agencies will not be obtained or that certain other closing conditions will not be satisfied. If the Merger is not completed, the ongoing businesses and financial results of us or Emeritus may be adversely affected and we and Emeritus will be subject to several risks, including:

having to pay certain significant transaction costs relating to the Merger without receiving the benefits of the Merger;

for us, potentially having to pay a termination payment of \$13.5 million if our shareholder approval is not obtained or a termination fee of \$143.0 million in other specific circumstances, including without limitation, a change in our board of directors' recommendation to its shareholders or termination to accept an alternative takeover proposal;

for Emeritus, potentially having to pay a termination payment of \$13.5 million if Emeritus shareholder approval is not obtained or a termination fee of \$53.0 million in other specific circumstances, including without limitation, a change in the recommendation of the board of directors of Emeritus to its shareholders or termination to accept an alternative takeover proposal;

the potential loss of key personnel during the pendency of the Merger as employees may experience uncertainty about their future roles with the combined company;

we and Emeritus will have been subject to certain restrictions on the conduct of our respective businesses which may have prevented us from making certain acquisitions or dispositions or pursuing certain business opportunities while the Merger was pending;

the share price of us and/or Emeritus may decline to the extent that the current market prices reflect an assumption by the market that the Merger will be completed; and

each of us and Emeritus may be subject to litigation related to any failure to complete the Merger.

We and Emeritus will incur substantial transaction fees and costs in connection with the Merger.

We and Emeritus expect to incur non-recurring expenses totaling approximately \$57.5 million in connection with the Merger and the HCP Transactions. Additional unanticipated costs may be incurred, including, without limitation, unexpected transaction costs and other expenses in the course of the integration of the businesses of us and Emeritus. The companies cannot be certain that the elimination of duplicative costs or the realization of other efficiencies related to the integration of the two businesses will offset the transaction and integration costs in the near term, or at all.

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We and Emeritus may be unable to obtain the regulatory approvals and third party consents required to complete the Merger or, in order to do so, we and Emeritus may be required to comply with material restrictions or conditions that may negatively affect the combined company after the Merger is completed or cause them to abandon the Merger. Failure to complete the Merger could negatively affect the future business and financial results of us and Emeritus.

Completion of the Merger is contingent upon, among other things, the receipt of certain required regulatory approvals, including required regulatory approvals from governmental authorities necessary for the ownership, operation and management of each of the Emeritus facilities and the Emeritus management properties following closing of the Merger, as well as certain third party consents. We and Emeritus can provide no assurance that all required regulatory or third party authorizations, approvals or consents will be obtained or that the authorizations, approvals or consents will not contain terms, conditions or restrictions that would be detrimental to the combined company after completion of the Merger.

Delays in completing the Merger may substantially reduce the expected benefits of the Merger.

Satisfying the conditions to, and completion of, the Merger may take longer than, and could cost more than we and Emeritus expect. Any delay in completing or any additional conditions imposed in order to complete the Merger may materially adversely affect the synergies and other benefits that we and Emeritus expect to achieve from the Merger and the integration of our respective businesses. In addition, each of us and Emeritus have the right to terminate the Merger Agreement if the Merger is not completed by November 20, 2014, except that such date may be extended to January 20, 2015 if the only unsatisfied conditions to the completion of the Merger are those regarding the receipt of certain regulatory and third-party approvals and consents.

Shareholder litigation against us and Emeritus could result in an injunction preventing completion of the Merger, the payment of damages in the event the Merger is completed and/or an adverse effect on the combined company's business, financial condition or results of operations following the Merger.

Transactions such as the Merger are often subject to lawsuits by shareholders. In connection with the Merger, three purported class action lawsuits have been filed on behalf of Emeritus shareholders in the Superior Court of King County, Washington: *Tampa Maritime Association/International Longshoremen's Association Pension Fund v. Emeritus Corp., et al.*, Case No. 14-2-06385-7-SEA, filed February 28, 2014; *Sciabacucchi v. Emeritus Corp., et al.*, Case No. 14-2-06946-4-SEA, filed March 6, 2014; and *Ellerson v. Emeritus Corp., et al.*, Case No. 14-2-07502-2-SEA, filed March 14, 2014. It is possible that other related suits could subsequently be filed. Emeritus anticipates that any related cases that are subsequently filed will be consolidated and proceed as a single, consolidated case.

The allegations in the three lawsuits are similar. They purport to be brought as class actions on behalf of all shareholders of Emeritus. The complaints name as defendants Emeritus, the Emeritus Board, us and Broadway Merger Sub Corporation (Merger Sub). The complaints allege that the Emeritus Board breached its fiduciary duties to Emeritus shareholders by, among other things, failing to maximize shareholder value in connection with the Merger or to engage in a fair sale process before approving the Merger. Specifically, the complaints allege that the Emeritus Board undervalued Emeritus in connection with the Merger and that the Emeritus Board agreed to certain deal protection mechanisms that precluded Emeritus from obtaining competing offers. The *Sciabacucchi* complaint also alleges that the Emeritus Board breached its fiduciary duties by failing to disclose all material information concerning the Merger to Emeritus shareholders. The three complaints also allege that we, Emeritus and Merger Sub aided and abetted the Emeritus Board's alleged breaches of fiduciary duties. The complaints seek, among other things, injunctive relief preventing the closing of the Merger, rescission of the Merger or an award of rescissory damages to the

purported class in the event that the Merger is consummated, and damages, including counsel fees and expenses. On April 30, 2014, the court consolidated the three lawsuits, relieved all defendants of the need to respond to the three filed complaints, and ordered plaintiffs to file a consolidated and amended complaint as soon as practicable after a registration statement is filed with the SEC in

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connection with the Merger, which was filed with the SEC on May 22, 2014. The consolidated action is under new caption *In re Emeritus Corp. Shareholder Litigation*, No. 14-2-06385-7 SEA. On May 6, 2014, the court appointed co-lead plaintiffs and co-lead and liaison counsel for plaintiffs in the consolidated proceeding.

One of the conditions to the closing of the Merger is that no temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by any court of competent jurisdiction or other law, legal restraint or prohibition will be in effect preventing the consummation of the Merger. Consequently, if any lawsuit is successful in obtaining an injunction prohibiting Emeritus or us from consummating the Merger on the agreed upon terms, the injunction may prevent the Merger from being completed within the expected timeframe, or at all. Furthermore, if the Merger is prevented or delayed, the lawsuits could result in substantial costs, including any costs associated with the indemnification of directors. The defense or settlement of any lawsuit or claim that remains unresolved at the time the Merger is completed may adversely affect the combined company's business, financial condition or results of operations.

We and Emeritus will be subject to various uncertainties and contractual restrictions while the Merger is pending that could adversely affect our financial results.

Uncertainty about the effect of the Merger on employees, suppliers and residents may have an adverse effect on us and/or Emeritus. These uncertainties may impair our and/or Emeritus's ability to attract, retain and motivate key personnel until the Merger is completed and for a period of time thereafter, and could cause residents, suppliers and others who deal with us or Emeritus to seek to change existing business relationships with us or Emeritus. Employee retention and recruitment may be particularly challenging prior to completion of the Merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the Merger and the preparation for the integration of the two companies may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect the financial results of us, Emeritus and/or the combined company.

In addition, the Merger Agreement restricts each of us and Emeritus, without the other's prior written consent, from taking certain specified actions while the Merger is pending. These restrictions may limit us and/or Emeritus from pursuing attractive business opportunities and making other changes to our respective businesses prior to completion of the Merger or termination of the Merger Agreement.

If completed, the Merger may not achieve its intended results, and we and Emeritus may be unable to successfully integrate our operations.

We and Emeritus entered into the Merger Agreement with the expectation that the Merger will result in various benefits, including, among other things, cost savings and operating efficiencies. Achieving the anticipated benefits of the Merger is subject to a number of uncertainties, including whether the businesses of us and Emeritus can be integrated in an efficient and effective manner.

It is possible that the integration process could take longer than anticipated and could result in the loss of valuable employees, additional and unforeseen expenses, the disruption of each company's ongoing businesses, processes and systems or inconsistencies in standards, controls, procedures, practices, policies and compensation arrangements, any of which could adversely affect the combined company's ability to achieve the anticipated benefits of the Merger. Difficulties in combining operations of us and Emeritus could also result in the loss of residents, suppliers, partners or other persons with whom we and Emeritus conduct business and potential disputes or litigation with residents,

suppliers, partners or other persons with whom we and Emeritus conduct business. The combined company's results of operations could also be adversely affected by any issues attributable to either company's operations that arise or are based on events or actions that occur prior to the closing of the Merger. The integration process is subject to a number of uncertainties, and no assurance can be

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given that the anticipated benefits, expense savings and synergies will be realized or, if realized, the timing of their realization. Failure to achieve these anticipated benefits could result in increased costs or decreases in the amount of expected revenues and could adversely affect the combined company's future business, financial condition, operating results and prospects.

Current Brookdale and Emeritus shareholders will have a reduced ownership and voting interest after the Merger.

We expect to issue approximately 47 million shares of our common stock to Emeritus shareholders in the Merger. As a result of these issuances, current Brookdale and Emeritus shareholders are expected to hold approximately 73% and 27%, respectively, of the combined company's outstanding common stock immediately following completion of the Merger.

Brookdale and Emeritus shareholders currently have the right to vote for their respective directors and on other matters affecting the applicable company. When the Merger occurs, each Emeritus shareholder that receives shares of our common stock will become a shareholder of Brookdale with a percentage ownership of the combined company that will be smaller than the shareholder's percentage ownership of Emeritus. Correspondingly, each of our shareholders will remain our shareholder with a percentage ownership of the combined company that will be smaller than the shareholder's percentage of us prior to the Merger. As a result of these reduced ownership percentages, our shareholders will have less voting power in the combined company than they now have with respect to us, and former Emeritus shareholders will have less voting power in the combined company than they now have with respect to Emeritus.

Because the Exchange Ratio is fixed and the market price of shares of the Company's common stock will fluctuate, Emeritus shareholders cannot be sure of the value of the Merger consideration they will receive.

Upon completion of the Merger, each outstanding share of Emeritus common stock will be converted into the right to receive 0.95 of a share of our common stock. The number of shares of our common stock to be issued pursuant to the Merger Agreement for each share of Emeritus common stock is fixed and will not change to reflect changes in the market price of our common stock or Emeritus common stock. Because the Exchange Ratio will not be adjusted to reflect any changes in the market value of our common stock or Emeritus common stock, the market value of our common stock issued in connection with the Merger and the Emeritus common stock surrendered in connection with the Merger may be higher or lower than the values of those shares on earlier dates. Stock price changes may result from, among other things, changes in the business, operations or prospects of us or Emeritus prior to or following the Merger, market reaction to the announcement of the Merger, market assessment of the likelihood that the Merger will be completed, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond the control of us and Emeritus. The market price of our common stock at the time of completion of the Merger may vary significantly from the market prices of our common stock on the date the Merger Agreement was executed, the date the joint proxy statement/prospectus was filed and the date of the respective special shareholder meetings. Accordingly, at the time of the Emeritus special shareholder meeting, Emeritus shareholders will not know or be able to calculate the market value of the Merger consideration they will receive upon completion of the Merger.

Under the Merger Agreement, we are subject to very limited restrictions during the pendency of the Merger, including a restriction prohibiting us from initiating, soliciting or knowingly encouraging the submission of, or participating in any discussions or negotiations with respect to certain alternative transactions. In addition, we are not limited from pursuing certain strategic or financial transactions that do not constitute a takeover proposal, or that contemplate the purchase of the combined companies following the Merger. As a result, there is a risk that our business may change before or after the completion of the Merger, which may affect the value of Emeritus shares prior to the completion of

the Merger and the value of our common stock held by Emeritus shareholders following the completion of the Merger.

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The Merger Agreement limits each of our and Emeritus' ability to pursue alternatives to the Merger, which could discourage a potential acquirer of either Emeritus or us from making an alternative transaction proposal and, in certain circumstances, could require us or Emeritus to pay to the other a significant termination fee.

Under the Merger Agreement, we and Emeritus are restricted, subject to limited exceptions, from pursuing or entering into alternative transactions in lieu of the Merger. In general, unless and until the Merger Agreement is terminated, both we and Emeritus are restricted from, among other things, soliciting, initiating, causing, knowingly encouraging or knowingly facilitating any inquiries or the making of any proposals from any person that is or is reasonably likely to lead to a takeover proposal. Each of our board of directors and the Emeritus Board is limited in its ability to change its recommendation with respect to the merger-related proposals. We and Emeritus each has the right to terminate the Merger Agreement and enter into an agreement with respect to a superior proposal only if specified conditions have been satisfied, including compliance with the non-solicitation provisions of the Merger Agreement, the expiration of certain waiting periods that may give the other party an opportunity to amend the Merger Agreement so the superior proposal is no longer a superior proposal and the payment of the required termination fee. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of us or Emeritus from considering or proposing such an acquisition, even if such third party were prepared to pay consideration with a higher per share cash or market value than the consideration proposed to be received or realized in the Merger, or might result in a potential acquirer proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable.

The pro forma financial statements incorporated by reference in this prospectus supplement are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the Merger.

The pro forma financial statements incorporated by reference in this prospectus supplement are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates and may not be an indication of the combined company's financial condition or results of operations following the Merger for several reasons. See Selected Unaudited Pro Forma Condensed Consolidated Financial Information filed as Exhibit 99.1 to the current report on Form 8-K filed on May 27, 2014. The actual financial condition and results of operations of the combined company following the Merger may not be consistent with, or evident from, these pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the Merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company.

Following the Merger and related transactions, the combined company will have a large number of authorized but unissued shares.

Following the Merger and related transactions, including the proposed amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares, based on the shares of Emeritus common stock, the shares of Emeritus restricted stock and the shares subject to Emeritus stock options with an exercise price that is less than the implied dollar value of the per share consideration to be received in the Merger, in each case, outstanding as of the record date, the combined company will have approximately 172 million shares of common stock outstanding (excluding unvested restricted shares), leaving approximately 228 million authorized but unissued shares. The combined company will be able to issue these shares without shareholder approval, unless shareholder approval is required by applicable law or stock exchange rules. Issuing additional shares may dilute the interest of existing shareholders and cause the market price of the combined company's common stock to decline. In addition, the combined company could use these authorized but unissued shares to make more difficult, and thereby discourage, an

attempt to acquire control of the combined company, even though shareholders might deem such an acquisition desirable.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of our common stock by the selling stockholders.

PRICE RANGE OF OUR COMMON STOCK AND DIVIDENDS

Our common stock is listed for trading on the New York Stock Exchange, or the NYSE, under the symbol BKD. The following table sets forth the quarterly high and low sales prices of our common stock on the NYSE for the periods indicated during such periods:

	High	Low
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