

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

METRIC INCOME TRUST SERIES INC

CIK: **846722** | IRS No.: **943087630** | State of Incorpor.: **CA** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-18294** | Film No.: **98500725**
SIC: **6798** Real estate investment trusts

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94111-5415*

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

CURRENT REPORT

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

December 23, 1997

Date of Report
(Date of earliest event reported)

Metric Income Trust Series, Inc.

(Exact name of registrant as
specified in its charter)

0-18294	California	94-3087630
-----	-----	-----
(Registration	(State or Other	(IRS Employer
File	Jurisdiction of	Identification
Number)	Incorporation)	Number)

One California Street, San Francisco, California 94111-5415

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(415) 678-2000

(800) 347-6707 Watts line for all states

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

- (a) The Registrant was organized to acquire, hold for investment, manage, and ultimately sell income-producing real properties and investments in securities. In the normal course of its business, the registrant sold the Arlington (N. Little School Road), Texas Stop N Go Store; the San Antonio (Babcock Road), Texas Stop N Go Store; the Fontana, California Circle K Store; the Placentia, California Circle K Store; the Marietta, Georgia Circle K Store; the Fort Worth, Texas Stop N Go Store; the Grand Prairie, Texas Stop N Go Store; and the San Antonio (Fredericksburg Blvd.), Texas Stop N Go Store on December 23, 1997.

TERMS OF ORIGINAL ACQUISITION

On November 30, 1989 the Registrant acquired Stop N Go Store #1332 in Arlington (N. Little School Road), Texas for \$962,000 including acquisition fees and other miscellaneous closing costs; Stop N Go Store #1386 in San Antonio (Babcock Road), Texas for \$975,000 including acquisition fees and other miscellaneous closing costs; Circle K Store (originally Stop N Go Store #2065) in Fontana, California for \$955,000 including acquisition fees and other miscellaneous closing costs; Circle K Store (originally Stop N Go Store #2375) in Placentia,

California for \$975,000 including acquisition fees and other miscellaneous closing costs; Circle K Store (originally Stop N Go Store #2406) in Marietta, Georgia for \$1,211,000 including acquisition fees and other miscellaneous closing costs; Stop N Go Store #285 in Fort Worth, Texas for \$851,000 including acquisition fees and other miscellaneous closing costs; Stop N Go Store #308 in Grand Prairie, Texas for \$824,000 including acquisition fees and other miscellaneous closing costs; and Stop N Go Store #328 in San Antonio (Fredericksburg Blvd.), Texas for \$959,000 including acquisition fees and other miscellaneous closing costs.

TERMS OF DISPOSITION AND FINANCING

The Registrant sold the sold the Arlington (N. Little School Road), Texas Stop N Go Store; the San Antonio (Babcock Road), Texas Stop N Go Store; the Fontana, California Circle K Store; the Placentia, California Circle K Store; the Marietta, Georgia Circle K Store; the Fort Worth, Texas Stop N Go Store; the Grand Prairie, Texas Stop N Go Store; and the San Antonio (Fredericksburg Blvd.), Texas Stop N Go Store on December 23, 1997. The net sales prices were \$991,000, \$841,000, \$1,417,000, \$1,417,000, \$1,228,000, \$636,000, \$1,004,000 and \$834,000, respectively. After payment of expenses of sale, the proceeds to the Registrant were \$934,000, \$792,000, \$1,342,000, \$1,341,000, \$1,160,000, \$594,000, \$945,000 and \$785,000, respectively.

CARRYING AMOUNT AT DATE OF SALE

For the Arlington (N. Little School Road), Texas Stop N Go Store, at the date of sale, the carrying amount of the land and improvements approximated \$899,000 (including \$39,000 deferred lease income receivable) and \$869,000 on a book basis and tax basis, respectively.

For the San Antonio (Babcock Road), Texas Stop N Go Store, at the date of sale, the carrying amount of the land and improvements approximated \$922,000 (including \$50,000 deferred lease income receivable) and \$882,000 on a book basis and tax basis, respectively.

For the Fontana, California Circle K Store, at the date of sale, the carrying amount of the land and improvements approximated \$890,000 (including \$56,000 deferred lease income receivable) and \$845,000 on a book basis and tax basis, respectively.

For the Placentia, California Circle K Store, at the date of sale, the carrying amount of the land and improvements approximated \$917,000 (including \$56,000 deferred lease income receivable) and \$871,000 on a book basis and tax basis, respectively.

For the Marietta, Georgia Circle K Store, at the date of sale, the carrying amount of the land and improvements approximated \$1,169,000 (including \$73,000 deferred lease income receivable) and \$1,107,000 on a book basis and tax basis, respectively.

For the Fort Worth, Texas Stop N Go Store, at the date of sale, the carrying amount of the land and improvements approximated \$790,000 (including \$38,000 deferred lease income receivable) and \$762,000 on a book basis and tax basis, respectively.

For the Grand Prairie, Texas Stop N Go Store, at the date of sale, the carrying amount of the land and improvements approximated \$764,000 (including \$40,000 deferred lease income receivable) and \$733,000 on a book basis and tax basis, respectively.

For the San Antonio (Fredericksburg Blvd.), Texas Stop N Go Store, at the date of sale, the carrying amount of the land and improvements approximated \$902,000 (including \$49,000 deferred lease income receivable) and \$862,000 on a book basis and tax basis, respectively.

GAIN/LOSS ON SALE

For the Arlington (N. Little School Road), Texas Stop N Go Store, the gain recognized on the sale approximated \$35,000 and \$65,000 on a book basis and tax basis, respectively.

For the San Antonio (Babcock Road), Texas Stop N Go Store, the loss recognized on the sale approximated \$130,000 and \$90,000 on a book basis and tax basis, respectively.

For the Fontana, California Circle K Store, the gain recognized on the sale approximated \$452,000 and \$497,000 on a book basis and tax basis, respectively.

For the Placentia, California Circle K Store, the gain recognized on the sale approximated \$424,000 and \$470,000 on a book basis and tax basis, respectively.

For the Marietta, Georgia Circle K Store, the loss recognized on the sale approximated \$9,000 and the gain recognized on the sale approximated \$53,000 on a book basis and tax basis, respectively.

For the Fort Worth, Texas Stop N Go Store, the loss recognized on the sale approximated \$196,000 and \$168,000 on a book basis and tax basis, respectively.

For the Grand Prairie, Texas Stop N Go Store, the gain recognized on the sale approximated \$181,000 and \$212,000 on a book basis and tax basis, respectively.

For the San Antonio (Fredericksburg Blvd.), Texas Stop N Go Store, the loss recognized on the sale approximated \$117,000 and \$77,000 on a book basis and tax basis, respectively.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

- (a) Financial Statements
Not applicable.
- (b) Pro Forma Financial Information
Historical financial information and Pro Forma financial information relating to the sales of the eight stores noted above are included in this Form 8-K.
- (c) Exhibits
Upon their receipt, the Registrant will amend its Form 8-K to include the disposition documents for the abovementioned eight stores.

SIGNATURE

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

METRIC INCOME TRUST SERIES, INC.
a California Corporation

By: /s/ William A. Finelli

William A. Finelli
Chief Financial Officer

Date: January 5, 1998

Basis of Presentation

Note 1.

The Registrant sold eight convenience store properties (the "Properties") on December 23, 1997. Accounts related to the Properties have been eliminated and interest income has been added assuming that the net proceeds from the sale were invested at 5% per annum until distributed as presented by the pro forma adjustments. See Note 3 below.

Note 2.

The Registrant sold Haverty's Furniture Store located in Plano, Texas ("Haverty's") on October 21, 1997 as reported on Form 8-K dated October 21, 1997 filed on November 3, 1997.

The Registrant sold five Stop N Go stores during the first nine months of 1997 as reported on Form 10-Q for the quarterly period ended September 30, 1997. The five stores were located in Clute, Sealy, Dallas, Texas City, and Arlington,

Texas and were sold on February 28, March 5, March 12, March 28, and July 24, 1997 respectively.

On September 26 and September 30, 1997, the Registrant sold the remainder of its investments in mortgage backed securities ("MBS") as reported on Form 10-Q for the quarterly period ended September 30, 1997.

Accounts related to Haverty's, the five Stop N Go stores, and MBS have been eliminated and interest income has been added assuming that the net proceeds from the sales were invested at 5% per annum until distributed as presented by the pro forma adjustments. See Note 3 below.

Note 3.

The unaudited consolidated statements present the pro forma balance sheet at September 30, 1997, had the Registrant sold the Properties referred to in Note 1 and Haverty's on September 30, 1997, and the pro forma statements of operations for the year ended December 31, 1996 and for the nine months ended September 30, 1997, had the Registrant sold the Properties referred to in Note 1 and Haverty's, the five Stop N Go stores, and MBS referred to in Note 2 at December 31, 1995 and December 31, 1996 respectively. The unaudited consolidated statements also present the historical figures previously reported in the appropriate Form 10-K and 10-Q reports.

No provision for Federal and state income taxes has been made in the historical or pro forma consolidated financial statements because the Registrant qualifies as a REIT and had distributed amounts in excess of its taxable income for the respective periods.

<TABLE>

METRIC INCOME TRUST SERIES, INC.
a California Corporation

PRO FORMA CONSOLIDATED BALANCE SHEET (UNAUDITED)
September 30, 1997

<CAPTION>

	Historical -----	Pro Forma Adjustments (Note 1) -----	Pro Forma Adjustments (Note 2) -----	Pro Forma (Note 3) -----
<S>	<C>	<C>	<C>	<C>
ASSETS				
Cash	\$ 6,681,000	\$ 7,894,000	\$ 4,231,000	\$ 18,806,000
Accounts and Interest Receivable	2,716,000	(375,000)	--	2,341,000
Real Estate Held for Sale	19,420,000	(6,854,000)	(3,822,000)	8,744,000
Prepaid and Other Assets	149,000	(149,000)	--	--
	-----	-----	-----	-----
Total Assets	\$ 28,966,000	\$ 516,000	\$ 409,000	\$ 29,891,000
	=====	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Dividends Payable	\$ 8,929,000	\$ --	\$ --	\$ 8,929,000
Payable to Sponsor and Affiliates	8,000	--	--	8,000
Other Accounts Payable and Accrued Liabilities	182,000	--	--	182,000
	-----	-----	-----	-----
Total Liabilities	9,119,000	--	--	9,119,000
	-----	-----	-----	-----
Shareholders' Equity				
Common Stock - no par value, stated at \$0.001, 12,250,000 shares authorized and 6,321,641 shares issued and outstanding	6,000	--	--	6,000
Additional Paid-in Capital	55,200,000	--	--	55,200,000
Accumulated Dividends in Excess of Net Income	(35,359,000)	516,000	409,000	(34,434,000)
	-----	-----	-----	-----
Total Shareholders' Equity	19,847,000	516,000	409,000	20,772,000
	-----	-----	-----	-----

Total Liabilities and Shareholders' Equity	\$ 28,966,000	\$ 516,000	\$ 409,000	\$ 29,891,000
	=====	=====	=====	=====

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METRIC INCOME TRUST SERIES, INC.
a California Corporation

PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
For the Nine Months Ended September 30, 1997

<CAPTION>

	Historical	Pro Forma Adjustments (Note 1)	Pro Forma Adjustments (Note 2)	Pro Forma (Note 3)
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues:				
Lease income	\$ 2,409,000	\$ (745,000)	\$ (455,000)	\$ 1,209,000
Interest on mortgage-backed securities	401,000	--	(401,000)	--
Interest and other income	155,000	147,000	235,000	537,000
Gain on sale of mortgage-backed securities - net	226,000	--	(226,000)	--
	-----	-----	-----	-----
Total Revenues	3,191,000	(598,000)	(847,000)	1,746,000
	-----	-----	-----	-----
Expenses:				
Depreciation	128,000	--	(51,257)	76,743
General and administrative	463,000	(44,000)	(65,000)	354,000
Impairment provision for real estate held for sale	1,647,000	--	--	1,647,000
	-----	-----	-----	-----
Total Expenses	2,238,000	(44,000)	(116,257)	2,077,743
	-----	-----	-----	-----
Income before Net Gain on Sale of Properties	953,000	(554,000)	(730,743)	(331,743)
Gain on Sale of Properties - Net	105,000	--	(105,000)	--
	-----	-----	-----	-----
Net Income	\$ 1,058,000	\$ (554,000)	\$ (835,743)	\$ (331,743)
	=====	=====	=====	=====
Net Income per Share				
Income before net gain on sale of properties	\$ 0.15	\$ (0.09)	\$ (0.12)	\$ (0.06)
Gain on sale of properties - net	0.02	--	(0.02)	--
	-----	-----	-----	-----
Net Income per Share	\$ 0.17	\$ (0.09)	\$ (0.14)	\$ (0.06)
	=====	=====	=====	=====
Dividends per Share	\$ 2.04	\$ 1.16	\$ 0.49	\$ 3.69
	=====	=====	=====	=====

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METRIC INCOME TRUST SERIES, INC.
a California Corporation

PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
For the Year Ended December 31, 1996

<CAPTION>

	Historical	Pro Forma Adjustments (Note 1)	Pro Forma Adjustments (Note 2)	Pro Forma (Note 3)
	-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>
Revenues:				
Lease income	\$ 4,109,000	\$ (993,000)	\$ (833,000)	\$ 2,283,000
Interest on mortgage-backed securities	611,000	--	(611,000)	--
Interest and other income	166,000	147,000	263,000	576,000
	-----	-----	-----	-----
Total Revenues	4,886,000	(846,000)	(1,181,000)	2,859,000
	-----	-----	-----	-----
Expenses (including \$467,000 paid or payable to advisor and affiliates in 1996):				
Depreciation	397,000	(64,000)	(135,514)	197,486
General and administrative	697,000	(56,000)	(104,000)	537,000
	-----	-----	-----	-----
Total Expenses	1,094,000	(120,000)	(239,514)	734,486
	-----	-----	-----	-----
Income before Gain on Sale of Property	3,792,000	(726,000)	(941,486)	2,124,514
Gain on Sale of Properties - Net	760,000	--	--	760,000
	-----	-----	-----	-----
Net Income	\$ 4,552,000	\$ (726,000)	\$ (941,486)	\$ 2,884,514
	=====	=====	=====	=====
Net Income per Share				
Income before gain on sale of properties	\$ 0.60	\$ (0.11)	\$ (0.15)	\$ 0.34
Gain on sale of properties - net	0.12	--	--	0.12
	-----	-----	-----	-----
Net Income per Share	\$ 0.72	\$ (0.11)	\$ (0.15)	\$ 0.46
	=====	=====	=====	=====
Dividends per Share	\$ 2.08	\$ 1.12	\$ 1.88	\$ 5.08
	=====	=====	=====	=====

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