

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
SEC Accession No. **0000950123-94-000909**

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FILER

RPS REALTY TRUST

CIK: **842183** | IRS No.: **136908486** | State of Incorpor.: **MA** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-10093** | Film No.: **94527821**
SIC: **6798** Real estate investment trusts

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549
FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
- - - - EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1994

OR

- - - - TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-10093

RPS REALTY TRUST

(Exact name of registrant as specified in its charter.)

MASSACHUSETTS 13-6908486

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

733 Third Avenue, New York, New York 10017

(Address of principal executive offices) (Zip Code)

212-370-8585

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

Yes X No

Number of shares of beneficial interest (\$.10 par value) of the Registrant
outstanding as of May 5, 1994: 28,492,421.

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RPS REALTY TRUST FORM 10-Q MARCH 31, 1994

I N D E X

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Part I. FINANCIAL INFORMATION

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Item 1. Financial Statements

<C>

Consolidated Balance Sheets - March 31, 1994 (unaudited) and

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited)

<TABLE>
<CAPTION>

	Shares of Beneficial Interest		Additional Paid-In Capital	Cumulative Earnings/ (Distributions)	Total Shareholders' Equity
	Number	Amount			
<S>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1994	28,552,921	\$2,855,292	\$195,155,914	(\$21,698,606)	\$176,312,600
Net income for the three months ended March 31, 1994	--	--	--	2,298,555	2,298,555
Shares repurchased and retired	(60,500)	(6,050)	(231,684)		(237,734)
Cash distributions declared	--	--	--	(2,279,394)	(2,279,394)
Balance at March 31, 1994	28,492,421	\$2,849,242	\$194,924,230	\$(21,679,445)	\$176,094,027

</TABLE>

See notes to consolidated financial statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>
<CAPTION>

	For the Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
Cash Flows From Operating Activities:		
Net Income	\$ 2,298,555	\$ 2,213,210
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Amortization of Deferred Acquisition Expense	49,466	49,466
Depreciation	152,500	110,437
Changes in Operating Assets and Liabilities:		
Interest and Accounts Receivable	(287,934)	1,497,492
Other Assets	(298,029)	(349,743)
Accounts Payable and Accrued Expenses	(168,362)	(173,309)
Net Cash Provided by Operating Activities	1,746,196	3,347,553
Cash Flows From Investing Activities:		

Satisfaction of Mortgage Loans Receivable	\$23,888,624	\$ 12,500
Investment in Mortgage Loans Receivable	-	(3,000,000)
Investments in Real Estate	(305,697)	(199,544)
	-----	-----
Net Cash Provided by Investing Activities	23,582,927	(3,187,044)
	-----	-----
Cash Flows From Financing Activities:		
Dividends Declared and Paid	(2,285,058)	(4,289,448)
Shares Repurchased	(237,734)	
Repayment of Mortgages Payable	(58,698)	(1,037,493)
	-----	-----
Net Cash Used in Financing Activities	(2,581,490)	(5,326,941)
	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents	\$22,747,633	(5,166,432)
Cash and Cash Equivalents, Beginning of Year	38,800,763	37,648,591
	-----	-----
Cash and Cash Equivalents, End of Period	\$61,548,396	\$32,482,159
	=====	=====
Cash and Cash Equivalents, End of Period:		
Cash	\$ 789,328	\$ 1,284,458
Short-Term Investments	60,759,068	31,197,701
	-----	-----
	\$61,548,396	\$32,482,159
	=====	=====
Supplemental Disclosures of Cash Flow Information:		
Interest Paid	\$ 110,814	\$ 132,712
	=====	=====
Supplemental Schedule of Noncash Investing and Financing Activities:		
Investment in Real Estate	\$ -	\$ 5,190,000
Accounts Payable	248,643	
Mortgages Payable Assumed	-	3,465,694
Interest and Accounts Receivable	1,310,630	(976,612)
Use of Allowance for Possible Loan Losses	14,567,301	1,352,306
Mortgages Receivable	(2,261,828)	(747,694)
Deposit on Sale of Loans	(1,365,042)	-
Other Assets	(165,200)	-

</TABLE>

See notes to consolidated financial statements

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MARCH 31, 1994

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

In the opinion of management of RPS Realty Trust (the "Trust"), the accompanying unaudited interim consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the consolidated financial position as of March 31, 1994 and the results of operations for the three months ended March 31, 1994 and March 31, 1993. The financial statements, related footnotes and discussions should be read in conjunction with the consolidated financial statements, related footnotes and discussions contained in the Trust's annual report on Form 10-K for the year ended December 31, 1993. Certain reclassifications have been made to prior year financial statements to conform with current classifications.

2. NET EARNINGS PER SHARE

The weighted average number of shares outstanding for the quarters ended March 31, 1994 and 1993 was 28,500,362 and 28,596,321, respectively.

3. INVESTMENTS

The following tables summarizes the investments of the Trust as of March 31, 1994:

MORTGAGE INVESTMENTS

<TABLE> <CAPTION>	TYPE OF PROPERTY	NUMBER OF MORTGAGE LOANS	FUNDS ADVANCED (d) (e) (f)	RANGE OF INTEREST RATES (a) (b)
<S>		<C>	<C>	<C>
Industrial Properties				
	Wraparound Mortgage Loan	1	\$15,350,000	17.4%
	First Mortgage Loan	1	\$ 1,500,000	12.0%
Office Buildings				
	Wraparound Mortgage Loans	1	\$ 468,493	10%
	First Mortgage Loans	2	\$ 5,850,000	5.0 - 8.3%
Shopping Center/Retail				
	Wraparound Mortgage Loans	7	\$24,630,420	6.5 - 15.2%
	First Mortgage Loan (g)	4	32,900,000	7.5 - 13.3%
	Loan Secured by First Lien (c)	1	\$ 3,000,000	6%
	Total	17	\$ 83,698,913	

</TABLE>

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<TABLE> <CAPTION>	Northeast	Southeast	Midwest	West
<S>	<C>	<C>	<C>	<C>
Outstanding Principal Amount of Loans (d)	\$69,130,420	\$4,500,000	\$ 9,600,000	\$468,493
Percentage of Funds Outstanding	82.6%	5.4%	11.5%	0.5%
Number of Loans	10	2	4	1

Investments in Real Estate

The following table summarizes the Trust's equity investments in real properties, and the carrying amount, net of accumulated depreciation and allowance for impairment of such properties, as of March 31, 1994:

<TABLE> <CAPTION>	Location	Carrying Value
<S>	<C>	<C>
Sunshine Plaza Shopping Center	Tamarac, FL	\$ 9,207,566
Crofton Shopping Center (h)	Crofton, MD	9,943,772
Trinity Corners Shopping Center	Pound Ridge, NY	2,932,450
Toys R Us Retail Center	Commack, NY	2,831,012
222 East Saratoga	Baltimore, MD	1,826,708

Office Building

Lantana Plaza Shopping Center	Lantana, FL	5,449,659
9 North Wabash	Chicago, IL	3,282,232
Retail Building		35,473,399
Allowance for Impairment		1,580,000
Total		\$33,893,399

</TABLE>

- (a) Interest rates presented are the weighted averages of the sum of current plus accrued interest rates.
- (b) In addition to fixed interest, the Trust is entitled to contingent interest on certain loans in an amount equal to a percentage of the gross rent received by the borrower from the property securing the mortgage above a base amount, payable annually, and additional contingent interest (equity participation) based on a predetermined multiple of the contingent interest or a percentage of the net value of the property at such date payable at maturity. Contingent interest in the amount of \$398,852 and \$53,627 was received in the three months ended March 31, 1994 and 1993, respectively.

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- (c) The loan is secured by a first lien on a separate collateral assignment of a first mortgage loan which, in turn, is secured by a fee position subject to a master lease on an office building in New York, New York.
- (d) Before taking into account allowance for possible loan losses of \$9,157,236.
- (e) As of March 31, 1994, the Trust had 6 loans that were in arrears (three monthly payments or more) or otherwise considered to be "problem loans" by the Trust. The aggregate gross principal amounts of these loans, together with receivables relating to such loans comprised of accrued interest and payments made on behalf of the borrowers for mortgage payments relating to such properties, totaled approximately \$22,911,539, representing 12.8% of the Trust's invested assets, at March 31, 1994. At March 31, 1994 and 1993, the Trust was not accruing current and accrued interest on five and six of the above-mentioned loans, in the aggregate approximate principal amount of \$12,750,000 and \$40,530,000, respectively. In addition, as of March 31, 1994 and 1993 respectively, the Trust was not accruing deferred interest on one and five additional loans, in the aggregate approximate principal amount of \$25,000,000 and \$45,100,000, respectively.
- (f) On January 3, 1994, the Trust sold the following mortgage loans: (i) its wrap-around mortgage loan secured by the Tampa Plaza shopping center located in Northridge, California (the "Tampa Loan"); (ii) its wrap-around mortgage loan secured by the Wellesley Plaza office building located in Los Angeles, California (the "Wellesley Loan"); and (iii) its first mortgage loan secured by the Tackett Center mixed-use retail center located in Palm Springs, California (the "Tackett Loan"). On January 7, 1994, the Trust sold its first mortgage loan secured by the Janss Mall shopping center located in Thousand Oaks, California (the "Janss Mall Loan", and collectively, the "California Mortgage Loans"). The California Mortgage Loans at closing had an approximate aggregate outstanding balance of \$39,698,000 before taking into consideration allowance for possible losses of approximately \$14,567,000. The Tampa, Tackett and Janss Mall Loans were sold pursuant to a competitive offering process, pursuant to which bids for each of the Loans were solicited; the Wellesley Loan was offered in the competitive offering process, but was sold in an arms-length negotiation outside of the competitive offering process. Secured Capital Corp. of Los Angeles, California acted as the Trust's representative with respect to the offering and sale of the California Mortgage Loans. In the aggregate, the Trust received cash proceeds of \$25,500,000 from the sale of the California Mortgage Loans, before deduction of costs, fees and expenses relating to such transactions, including the payment of a fee to Secured

RPS REALTY TRUST

By:/s/ Joel M. Pashcow

Joel M. Pashcow
Chairman and Trustee
(Principal Executive Officer)

By:/s/ Herbert Liechtung

Herbert Liechtung
President and Trustee
(Principal Executive Officer)

By:/s/ Edwin R. Frankel

Edwin R. Frankel
Senior Vice President and Treasurer
(Chief Financial Officer)

Date: