

CapLease, Inc.
Form 10-Q
August 05, 2011

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

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 001-32039

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

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

52-2414533
(I.R.S. Employer
Identification No.)

1065 Avenue of the Americas, New York, NY
(Address of Principal Executive Offices)

10018
(ZIP Code)

Registrant's Telephone Number, Including Area Code:

(212) 217-6300

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 No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such

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files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 4, 2011, there were 68,055,665 shares of common stock of CapLease, Inc., \$0.01 par value per share, outstanding ("Common Stock").

CapLease, Inc.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CapLease, Inc. and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2011 (unaudited) and December 31, 2010

(Amounts in thousands, except share and per share amounts)	As Of June 30, 2011	As Of December 31, 2010
Assets		
Real estate investments, net	\$ 1,408,133	\$ 1,398,399
Loans held for investment, net	187,047	210,040
Commercial mortgage-backed securities	102,369	145,965
Cash and cash equivalents	67,452	32,742
Other assets	109,997	83,125
Total Assets	\$ 1,874,998	\$ 1,870,271
Liabilities and Equity		
Mortgages on real estate investments	\$ 954,170	\$ 928,429
Collateralized debt obligations	232,511	254,210
Credit agreement	80,388	105,345
Secured term loan	94,428	101,880
Convertible senior notes	34,217	33,926
Other long-term debt	30,930	30,930
Total Debt Obligations	1,426,644	1,454,720
Intangible liabilities on real estate investments	36,312	37,405
Accounts payable and other liabilities	21,118	21,134
Dividends and distributions payable	6,061	5,373
Total Liabilities	1,490,135	1,518,632
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, Series A cumulative redeemable preferred, liquidation preference \$25.00 per share, 3,204,900 shares issued and outstanding	73,880	73,880
Common stock, \$0.01 par value, 500,000,000 shares authorized, 68,055,665 and 57,471,268 shares issued and outstanding, respectively	682	576
Additional paid in capital	335,685	296,232
Accumulated other comprehensive loss	(26,512)	(20,216)
Total Stockholders' Equity	383,735	350,472
Non-controlling interest in consolidated subsidiaries	1,128	1,167

Total Equity	384,863	351,639
Total Liabilities and Equity	\$1,874,998	\$ 1,870,271

See notes to consolidated financial statements.

CapLease, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

(Amounts in thousands, except per share amounts)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues:				
Rental revenue	\$32,774	\$31,551	\$64,952	\$63,078
Interest income from loans and securities	6,184	7,048	12,613	14,015
Tenant reimbursements	3,145	2,780	6,498	5,792
Other revenue	163	224	445	427
Total revenues	42,266	41,603	84,508	83,312
Expenses:				
Interest expense	20,416	21,304	40,869	