

Resource Capital Corp.  
Form 10-Q  
August 10, 2009

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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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, 2009

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: 1-32733

RESOURCE CAPITAL CORP.

(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

20-2297134  
(I.R.S. Employer  
Identification No.)

712 5th Avenue, 10th Floor  
New York, New York 10019  
(Address of principal executive offices) (Zip code)  
(212) 506-3870  
(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  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 files).

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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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer		<input checked="" type="checkbox"/>
Non-accelerated filer	(Do not check if a smaller reporting Company)	Accelerated filer 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

The number of outstanding shares of the registrant's common stock on August 5, 2009 was 24,944,589 shares.

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ON FORM 10-Q

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

RESOURCE CAPITAL CORP. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(in thousands, except share data)

	June 30, 2009 (Unaudited)	December 31, 2008
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,553	\$ 14,583
Restricted cash	58,728	60,394
Investment securities available-for-sale, pledged as collateral, at fair value	13,940	22,466
Investment securities available-for-sale, at fair value	4,236	6,794
Loans, pledged as collateral and net of allowances of \$59.1 million and \$43.9 million	1,663,306	1,712,779
Loans held for sale	2,401	-
Direct financing leases and notes, pledged as collateral, net of allowance of \$600,000 and \$450,000 and net of unearned income	2,833	104,015
Investments in unconsolidated entities	1,548	1,548
Interest receivable	6,331	8,440
Principal paydown receivables	59	950
Other assets	10,623	4,062
<b>Total assets</b>	<b>\$ 1,774,558</b>	<b>\$ 1,936,031</b>
<b>LIABILITIES</b>		
Borrowings	\$ 1,584,664	\$ 1,699,763
Distribution payable	7,532	9,942
Accrued interest expense	2,325	4,712
Derivatives, at fair value	11,830	31,589
Accounts payable and other liabilities	2,305	3,720
<b>Total liabilities</b>	<b>1,608,656</b>	<b>1,749,726</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, par value \$0.001: 100,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, par value \$0.001: 500,000,000 shares authorized; 24,911,944 and 25,344,867 shares issued and outstanding (including 466,446 and 452,310 unvested restricted shares)	26	26
Additional paid-in capital	353,831	356,103
Accumulated other comprehensive loss	(66,446)	(80,707)
Distributions in excess of earnings	(121,509)	(89,117)
<b>Total stockholders' equity</b>	<b>165,902</b>	<b>186,305</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,774,558</b>	<b>\$ 1,936,031</b>

The accompanying notes are an integral part of these statements

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RESOURCE CAPITAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except share and per share data)  
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
<b>REVENUES</b>				
Net interest income:				
Loans	\$ 21,969	\$ 28,686	\$ 45,129	\$ 61,125
Securities	883	1,158	1,765	2,339
Leases	2,093	1,961	4,326	3,951
Interest income – other				