

Wheeler Real Estate Investment Trust, Inc.  
Form 10-Q  
November 14, 2013  
[Table of Contents](#)

**UNITED STATES**  
**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 September 30, 2013

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 001-35713

**WHEELER REAL ESTATE INVESTMENT TRUST, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**Maryland**  
(State or Other Jurisdiction of

**45-2681082**  
(I.R.S. Employer

Incorporation or Organization)

Identification No.)

**2529 Virginia Beach Blvd., Suite 200**

**Virginia Beach, Virginia**  
(Address of Principal Executive Offices)

**23452**  
(Zip Code)

**(757) 627-9088**

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 (§ 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such 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 large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer  (do not check if a smaller reporting company)

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 November 13, 2013, there were 7,121,000 common shares, \$0.01 par value per share, outstanding.

**Table of Contents**

**Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**

	<b>Page</b>
<b>PART I FINANCIAL INFORMATION</b>	
Item 1. Financial Statements	
<u>Condensed Consolidated Balance Sheets as of September 30, 2013 (unaudited) and December 31, 2012</u>	3
<u>Condensed Consolidated and Combined Statements of Operations (unaudited) for the three and nine month periods ended September 30, 2013 and 2012</u>	4
<u>Condensed Consolidated Statement of Equity (unaudited) for the nine month period ended September 30, 2013</u>	5
<u>Condensed Consolidated and Combined Statements of Cash Flows (unaudited) for the nine month periods ended September 30, 2013 and 2012</u>	6
<u>Notes to Condensed Consolidated and Combined Financial Statements (unaudited)</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	20
Item 4. <u>Controls and Procedures</u>	20
<b>PART II OTHER INFORMATION</b>	
Item 1. <u>Legal Proceedings</u>	21
Item 1A. <u>Risk Factors</u>	21
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	21
Item 3. <u>Defaults Upon Senior Securities</u>	21
Item 4. <u>Mine Safety Disclosures</u>	21
Item 5. <u>Other Information</u>	21
Item 6. <u>Exhibits</u>	22
<u>Signatures</u>	24

**Table of Contents****Wheeler Real Estate Investment Trust, Inc. and Subsidiaries****Condensed Consolidated Balance Sheets**

	September 30, 2013 (unaudited)	December 31, 2012
<b>ASSETS:</b>		
Investment properties, net	\$ 83,558,017	\$ 43,345,665
Cash and cash equivalents	1,821,057	2,053,192
Rents and other tenant receivables, net	903,085	761,114
Deferred costs and other assets, net	12,801,743	6,527,906
<b>Total Assets</b>	<b>\$ 99,083,902</b>	<b>\$ 52,687,877</b>
<b>LIABILITIES:</b>		
Mortgages and other indebtedness	\$ 66,781,304	\$ 31,843,503
Below market lease intangible, net	3,969,073	3,673,019
Accounts payable, accrued expenses and other liabilities	2,670,835	938,896
<b>Total Liabilities</b>	<b>73,421,212</b>	<b>36,455,418</b>
Commitments and contingencies (Note 7)		
<b>EQUITY:</b>		
Series A preferred stock (no par value, 500,000 shares authorized, 1,809 and no shares issued and outstanding, respectively)	1,458,050	
Common stock (\$0.01 par value, 75,000,000 and 15,000,000 shares authorized, 7,121,000 and 3,301,502 shares issued and outstanding, respectively)	71,210	33,015
Additional paid-in capital	28,118,189	14,097,453
Accumulated deficit	(10,276,279)	(5,443,099)
<b>Total Shareholders' Equity</b>	<b>19,371,170</b>	<b>8,687,369</b>
Noncontrolling interests	6,291,520	7,545,090
<b>Total Equity</b>	<b>25,662,690</b>	<b>16,232,459</b>
<b>Total Liabilities and Equity</b>	<b>\$ 99,083,902</b>	<b>\$ 52,687,877</b>

See accompanying notes to condensed consolidated and combined financial statements.

**Table of Contents**

**Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**  
**Condensed Consolidated and Combined Statements of Operations**  
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
<b>REVENUE:</b>				
Rental revenues	\$ 1,806,118	\$ 402,061	\$ 4,624,612	\$ 1,198,852
Other revenues	170,334	86,666	598,736	305,534
<b>Total Revenue</b>	1,976,452	488,727	5,223,348	1,504,386
<b>OPERATING EXPENSES:</b>				
Property operations	383,276	117,486	968,846	332,308
Depreciation and amortization	872,213	184,933	2,204,899	556,452
Provision for credit losses	32,017		69,920	
Corporate general & administrative	2,609,726	354,401	4,766,293	787,654
<b>Total Operating Expenses</b>	3,897,232	656,820	8,009,958	1,676,414
<b>Operating Loss</b>	(1,920,780)	(168,093)	(2,786,610)	(172,028)
Interest expense	(592,231)	(198,049)	(1,587,946)	(593,496)
<b>Net Loss</b>	(2,513,011)	(366,142)	(4,374,556)	(765,524)
Less: Net loss attributable to noncontrolling interests	(793,360)		(950,264)	
<b>Net Loss Attributable to Wheeler REIT</b>	(1,719,651)	(366,142)	(3,424,292)	(765,524)
Preferred stock dividends	(79,049)		(101,549)	
<b>Net Loss Attributable to Wheeler REIT Common Shareholders</b>	\$ (1,798,700)	\$ (366,142)	\$ (3,525,841)	\$ (765,524)
Loss per share:				
Basic and Diluted	\$ (0.38)	\$ (0.11)	\$ (0.93)	\$ (0.23)
Weighted-average number of shares:				
Basic and Diluted	4,715,382	3,301,502	3,777,974	3,301,502

See accompanying notes to condensed consolidated and combined financial statements.

**Table of Contents**

**Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**

**Condensed Consolidated Statement of Equity**

**(Unaudited)**

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders Equity	Noncontrolling Interests		Total Equity
	Shares	Value	Shares	Value				Units	Value	
Balance, December 31, 2012		\$	3,301,502	\$ 33,015	\$ 14,097,453	\$ (5,443,099)	\$ 8,687,369	1,858,068	\$ 7,545,090	\$ 16,232,459
Issuance of common stock, net of expenses			3,162,500	31,625	11,830,573		11,862,198			11,862,198
Reclass of preferred stock to equity, net of expenses of \$213,064	4,500	3,943,936					3,943,936			3,943,936
Conversion of preferred stock to common stock, net of expenses	(2,691)	(2,485,886)	656,998	6,570	2,472,148		(7,168)			(7,168)
Adjustment for noncontrolling interest in operating partnership					(281,985)		(281,985)		281,985	
Dividends and distributions						(1,408,888)	(1,408,888)		(585,291)	(1,994,179)
Net loss						(3,424,292)	(3,424,292)		(950,264)	(4,374,556)