

Resource Capital Corp.
Form 10-Q
May 11, 2009

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 March 31, 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
(Address of principal executive offices)

10019
(Zip code)

(Registrant's telephone number, including area code): 212-506-3870

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).
Yes No

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

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 May 6, 2009 was 24,910,452 shares.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2009 (Unaudited)	December 31, 2008
ASSETS		
Cash and cash equivalents	\$ 10,668	\$ 14,583
Restricted cash	60,273	60,394
Investment securities available-for-sale, pledged as collateral, at fair value	15,376	22,466
Investment securities available-for-sale, at fair value	4,950	6,794
Loans, pledged as collateral and net of allowances of \$46.9 million and \$43.9 million	1,682,283	1,712,779
Loans held for sale, at fair value	15,968	-
Direct financing leases and notes, pledged as collateral, net of allowance of \$550,000 and \$450,000 and net of unearned income	96,546	104,015
Investments in unconsolidated entities	1,548	1,548
Interest receivable	6,992	8,440
Principal paydown receivables	44	950
Other assets	4,780	4,062
Total assets	\$ 1,899,428	\$ 1,936,031
LIABILITIES		
Borrowings	\$ 1,692,571	\$ 1,699,763
Distribution payable	7,529	9,942
Accrued interest expense	2,737	4,712
Derivatives, at fair value	22,786	31,589
Accounts payable and other liabilities	4,297	3,720
Total liabilities	1,729,920	1,749,726
STOCKHOLDERS' EQUITY		
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; 24,901,995 and 25,344,867 shares issued and outstanding (including 554,769 and 452,310 unvested restricted shares)	26	26
Additional paid-in capital	353,534	356,103
Accumulated other comprehensive loss	(75,249)	(80,707)
Distributions in excess of earnings	(108,803)	(89,117)
Total stockholders' equity	169,508	186,305
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,899,428	\$ 1,936,031

The accompanying notes are an integral part of these financial 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 March 31,	
	2009	2008
REVENUES		
Interest income:		
Loans	\$ 23,160	\$ 32,439
Securities	882	1,181
Leases	2,233	1,990
Interest income – other	347	1,373
Total interest income	26,622	36,983
Interest expense	13,877	23,148
Net interest income	12,745	13,835
OPERATING EXPENSES		
Management fee expense – related party	1,001	1,738