

Owens Realty Mortgage, Inc.  
Form 10-Q  
August 10, 2015

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 June 30, 2015

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 000-54957

OWENS REALTY MORTGAGE, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Maryland  
(State or Other Jurisdiction  
of Incorporation or Organization)

46-0778087  
(I.R.S. Employer Identification No.)

2221 Olympic Boulevard  
Walnut Creek, California  
(Address of Principal Executive Offices)

94595  
(Zip Code)

(925) 935-3840  
Registrant's Telephone Number, Including Area Code

NOT APPLICABLE

(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 of this chapter) during the preceding 12 months (or 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                       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 Act).  
Yes  No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding as of August 6, 2015
Common Stock, \$.01 par value	10,541,173 shares

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## Part I. FINANCIAL INFORMATION

## Item 1. Financial Statements

OWENS REALTY MORTGAGE, INC.  
Consolidated Balance Sheets  
(UNAUDITED)

	June 30, 2015		December 31, 2014
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,739,592	\$	1,413,545
Restricted cash	7,356,136		6,248,746
Loans, net of allowance for loan losses of \$3,297,398 in 2015 and \$2,869,355 in 2014	66,288,999		65,164,156
Interest and other receivables	2,002,793		1,482,380
Other assets, net of accumulated depreciation and amortization of \$238,822 in 2015 and \$1,065,172 in 2014	651,554		1,138,123
Deferred financing costs, net of accumulated amortization of \$527,460 in 2015 and \$253,675 in 2014	1,085,534		1,317,585
Investment in limited liability company	2,143,458		2,142,581
Real estate held for sale	49,762,022		59,494,339
Real estate held for investment, net of accumulated depreciation of \$5,899,931 in 2015 and \$6,075,287 in 2014	102,518,585		103,522,466
Total assets	\$ 240,548,673	\$	241,923,921
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Dividends payable	\$ 1,938,240	\$	1,292,160
Due to Manager	217,111		283,644
Accounts payable and accrued liabilities	4,567,832		2,219,674
Deferred gains on sales of real estate	209,662		362,283
Lines of credit payable	—		11,450,000
Notes and loans payable on real estate	32,254,565		37,569,549
Total liabilities	39,187,410		53,177,310
Commitments and Contingencies (Note 13)			
<b>EQUITY:</b>			
Stockholders' equity:			
Preferred stock, \$.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding at June 30, 2015 and December 31, 2014		—	—
Common stock, \$.01 par value per share, 50,000,000 shares authorized, 11,198,119 shares issued, 10,768,001 shares outstanding at June 30, 2015 and December 31, 2014	111,981		111,981
Additional paid-in capital	182,437,522		182,437,522
Treasury stock, at cost – 430,118 shares at June 30, 2015 and December 31, 2014	(5,349,156)		(5,349,156)
Retained earnings	19,592,007		7,371,511
Total stockholders' equity	196,792,354		184,571,858
Non-controlling interests	4,568,909		4,174,753
Total equity	201,361,263		188,746,611
Total liabilities and equity	\$ 240,548,673	\$	241,923,921

The accompanying notes are an integral part of these consolidated financial statements.

OWENS REALTY MORTGAGE, INC.  
Consolidated Statements of Income  
(UNAUDITED)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenues:				
Interest income on loans	\$ 2,500,866	\$ 1,028,936	\$ 5,324,738	\$ 2,165,720
Rental and other income from real estate properties	3,443,366	2,984,399	6,986,264	5,674,373
Income from investment in limited liability company	42,816	40,976	85,877	82,672
Other income	—	—	—	19
Total revenues	5,987,048	4,054,311	12,396,879	7,922,784
Expenses:				
Management fees to Manager	440,611	419,943	897,000	840,249
Servicing fees to Manager	40,055	38,177	81,546	76,386
General and administrative expense	280,078	389,464	659,048	805,207
Rental and other expenses on real estate properties	2,159,533	1,977,330	4,349,945	3,892,446
Depreciation and amortization	583,572	547,635	1,185,958	1,093,733
Interest expense	471,920	253,097	1,058,946	380,481
Provision for (reversal of ) loan losses	340,477	(103,820)	428,043	23,352
Impairment losses on real estate properties	147,000	48,000	1,256,434	55,540
Total expenses	4,463,246	3,569,826	9,916,920	7,167,394
Operating income	1,523,802	484,485	2,479,959	755,390
Gain on sales of real estate, net	14,825,858	2,349,808	15,031,299	2,626,992
Gain on foreclosure of loan				