

WILLIS LEASE FINANCE CORP
Form 10-Q
August 06, 2013
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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, 2013

OR

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

Commission File Number: 001-15369

WILLIS LEASE FINANCE CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of incorporation or organization)

68-0070656
(IRS Employer Identification No.)

773 San Marin Drive, Suite 2215, Novato, CA
(Address of principal executive offices)

94998
(Zip Code)

Registrant's telephone number, including area code **(415) 408-4700**

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 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 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

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

Title of Each Class
Common Stock, \$0.01 par value per share

Outstanding at August 1, 2013
8,860,643

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**WILLIS LEASE FINANCE CORPORATION
AND SUBSIDIARIES**

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	June 30, 2013	December 31, 2012
ASSETS		
Cash and cash equivalents	\$ 4,340	\$ 5,379
Restricted cash	35,336	24,591
Equipment held for operating lease, less accumulated depreciation of \$263,776 and \$242,529 at June 30, 2013 and December 31, 2012, respectively	1,015,298	961,459
Equipment held for sale	22,786	23,607
Operating lease related receivable, net of allowances of \$384 and \$980 at June 30, 2013 and December 31, 2012, respectively	8,774	12,916
Investments	31,451	21,831
Property, equipment & furnishings, less accumulated depreciation of \$8,135 and \$7,087 at June 30, 2013 and December 31, 2012, respectively	5,316	5,989
Equipment purchase deposits	1,369	1,369
Other assets	20,905	21,574
Total assets	\$ 1,145,575	\$ 1,078,715
LIABILITIES AND SHAREHOLDERS EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 18,334	\$ 15,374
Liabilities under derivative instruments	781	1,690
Deferred income taxes	83,677	90,248
Notes payable	744,498	696,988
Maintenance reserves	70,493	63,313
Security deposits	10,974	6,956
Unearned lease revenue	4,130	4,593
Total liabilities	932,887	879,162
Shareholders equity:		
Common stock (\$0.01 par value, 20,000,000 shares authorized; 8,860,643 and 8,715,580 shares issued and outstanding at June 30, 2013 and December 31, 2012, respectively)	89	87
Paid-in capital in excess of par	49,166	47,785
Retained earnings	164,213	152,911
Accumulated other comprehensive loss, net of income tax benefit of \$391 and \$651 at June 30, 2013 and December 31, 2012, respectively	(780)	(1,230)

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Total shareholders' equity		212,688		199,553
Total liabilities and shareholders' equity	\$	1,145,575	\$	1,078,715

See accompanying notes to the unaudited consolidated financial statements.

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WILLIS LEASE FINANCE CORPORATION

AND SUBSIDIARIES

Consolidated Statements of Income

(In thousands, except share data, unaudited)

	Three Months Ended June		Six Months Ended June	
	2013	2012	2013	2012
REVENUE				
Lease rent revenue	\$ 24,750	\$ 23,810	\$ 49,237	\$ 47,895
Maintenance reserve revenue	11,788	9,437	21,017	18,015
Gain on sale of leased equipment	848	1,388	1,534	3,996
Other revenue	567	518	1,469	986
Total revenue	37,953			