AMR CORP
Form SC TO-I/A
February 18, 2009

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE TO/A
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
AMR CORPORATION
(Name of Subject Company (Issuer) and Filing Person (Issuer))

4.5% Senior Convertible Notes due 2024	**001765 BB 1**
(Title of Class of Securities)	*(CUSIP Number of Class of Securities)*

GARY F. KENNEDY, Esq.
Senior Vice President and General Counsel
AMR Corporation
P.O. Box 619616
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(817) 963-1234
(Name, Address and Telephone Number of Person Authorized to Receive Notice and Communications on Behalf of Filing Person)
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CALCULATION OF FILING FEE

Transaction Valuation*	**Amount of Filing Fee****
$307,979,000	**$12,103.58**

* Calculated solely for purposes of determining the filing fee. The purchase price of the 4.5% Senior Convertible Notes due 2024 (the **Notes**), as described herein, is $1,000 per $1,000 principal amount outstanding. As of January 14, 2009, there was $307,979,000 in aggregate principal amount of Notes outstanding, resulting in an aggregate maximum purchase price of $307,979,000.

** The amount of the filing fee was calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, and equals $39.30 for each $1,000,000 of the value of the transaction. The filing fee was paid on January 15, 2009 in connection with the filing by AMR Corporation of the original Schedule TO (Registration No. 005-33763).

o Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not Applicable	Filing Party: Not Applicable
Form or Registration No.: Not Applicable	Date Filed: Not Applicable

o Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- o third-party tender offer subject to Rule 14d-1.
- þ issuer tender offer subject to Rule 13e-4.
- o going-private transaction subject to Rule 13e-3.
- o amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: þ

INTRODUCTORY STATEMENT

This Amendment No. 1 is the final amendment to the Tender Offer Statement on Schedule TO (the **Schedule TO**) originally filed by AMR Corporation, a Delaware corporation (the **Company**), on January 15, 2009, with respect to the right of each holder (each, a **Holder**) of the Company s 4.5% Senior Convertible Notes due 2024 (the **Notes**) to sell and the obligation of the Company to purchase the Notes upon the terms of and subject to the conditions set forth in the Indenture, dated as of February 1, 2004 (the **Indenture**), between AMR Corporation, a Delaware corporation (**AMR** or the **Company**), and Wilmington Trust Company, as trustee thereunder (the **Trustee**), as supplemented by the Supplemental Indenture No. 2004-1, dated as of February 13, 2004 (the **Indenture Supplement**), among AMR, American Airlines, Inc., a subsidiary of the Company, as guarantor, and the Trustee, and the Company Notice to Holders, dated January 15, 2009 (the **Company Notice**), filed as an exhibit to the Schedule TO (which Indenture, Indenture Supplement and Company Notice, as amended or supplemented from time to time, collectively constitute the **Option Documents**).

This Amendment No. 1 is being filed by the Company to amend and supplement certain provisions of the Schedule TO to the extent set forth herein.

This Amendment No. 1 is intended to satisfy the disclosure requirements of Rule 13e-4(c)(4) under the Securities Exchange Act of 1934, as amended.

Item 4. TERMS OF THE TRANSACTION

Item 4 of the Schedule TO is hereby amended and supplemented by adding the following language:

The Holder s right to surrender their Notes for purchase (the **Put Option**) by the Company pursuant to the Option Documents expired at 5:00 p.m., New York City time, on February 13, 2009. The Company has been advised by Wilmington Trust Company, as paying agent (the **Paying Agent**), that pursuant to the terms of the Put Option, Notes in an aggregate principal amount of $282,911,000 were validly surrendered for purchase and not withdrawn prior to the expiration of the Put Option. The Company has accepted for purchase all of the Notes validly surrendered and not withdrawn. The purchase price for the Notes pursuant to the Put Option was $1,000 in cash per $1,000 principal amount of the Notes. The aggregate purchase price for all the Notes validly surrendered and not withdrawn was $282,911,000. The Company has forwarded cash in payment of the aggregate purchase price to the Paying Agent for distribution to the Holders in accordance with the procedures of The Depository Trust Company. Following the Company s purchase of the Notes pursuant to the Put Option, $198,000 in aggregate principal amount of the Notes remains outstanding.

Item 12. Exhibits.

Item 12 of the Schedule TO is hereby amended and supplemented to read as follows:

Exhibit Number	Description
(a)(1)	Company Notice to Holders of 4.5% Senior Convertible Notes due 2024, dated January 15, 2009.*
(a)(5)(A)	Press release issued on January 15, 2009.*
(a)(5)(B)	Press release issued on February 18, 2009
(b)	Not applicable.
(d)(1)	Indenture, dated as of February 1, 2004, by and between the Company and Wilmington Trust Company, a Delaware banking corporation, as trustee, incorporated by reference to Exhibit 4(a)(1) to the Company s Current Report on Form 8-K filed on February 25, 2004.
(d)(2)	Supplemental Indenture No. 2004-1, dated as of February 13, 2004, by and between the Company, American Airlines, Inc., a subsidiary of the Company, as guarantor, and Wilmington Trust Company, a Delaware banking corporation, as trustee, incorporated by reference to Exhibit 4(a)(2) to the Company s Current Report on Form 8-K filed on February 25, 2004.
(g)	Not applicable.
(h)	Not applicable.

*Previously filed

Item 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

	AMR Corporation
Date: February 18, 2009	**By: /s/ Thomas W. Horton**
	Name: Thomas W. Horton
	Title: Executive Vice President Finance and Planning and Chief Financial Officer

EXHIBIT INDEX

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(a)(5)(B)	Press release issued on February 18, 2009
(b)	Not applicable.
(d)(1)	Indenture, dated as of February 1, 2004, by and between the Company and Wilmington Trust Company, a Delaware banking corporation, as trustee, incorporated by reference to Exhibit 4(a)(1) to the Company s Current Report on Form 8-K filed on February 25, 2004.
(d)(2)	Supplemental Indenture No. 2004-1, dated as of February 13, 2004, by and between the Company, American Airlines, Inc., a subsidiary of the Company, as guarantor, and Wilmington Trust Company, a Delaware banking corporation, as trustee, incorporated by reference to Exhibit 4(a)(2) to the Company s Current Report on Form 8-K filed on February 25, 2004.
(g)	Not applicable.
(h)	Not applicable.

*Previously filed.

f exchangeable notes, $105.0 million from the sale of the three facilities to Vibra, and $30.0 million from a new term loan. These proceeds along with cash already on hand and borrowings from our revolving credit facilities were used to fund our $357.2 million acquisition of 20 healthcare facilities and the $60.0 million financing arrangement with affiliates of Prime related to three southern California hospital campuses (including two MOBs).

Short-term Liquidity Requirements: At November 6, 2009, our availability under our revolving credit facilities plus cash on-hand approximated $72.1 million. We have only nominal principal payments due, no significant maturities until November 2010, and only $8 million in approved capital projects. We believe that the current liquidity available to us, along with our monthly cash receipts from rent and loan interest, will be sufficient for operations, debt service, capital project funding, and distributions in compliance with REIT requirements during the remainder of 2009 and 2010.

Long-term Liquidity Requirements: Our first significant maturity of debt is in November 2010 when our $30.0 million term loan ($29.6 million outstanding on November 6, 2009) and our $154.0 million revolving credit facility ($96 million outstanding on November 6, 2009) mature. However, of the approximately $125.6 million coming due in 2010, the $96.0 million related to our revolving credit facility can be extended to November 2011 so long as no default has occurred and we provide necessary notice of our intentions to extend the facility.

We will require external capital in 2011 and beyond to satisfy debt maturities, including $138 million in maturing exchangeable notes and $64.7 million in a maturing term loan in November 2011. In recent months, debt and equity capital market conditions have improved, and we believe capital is more available than at any time during the past 24 months. We believe we have several alternatives for refinancing debt as it matures, including:

cash flows from operations;

proceeds from property sales;

issuance of new debt;

replacement or extension of existing credit arrangements; and sale of equity and equity-linked securities.

However, there is no assurance that conditions will remain good or that our present plans will be successful.

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Results of Operations

Three months Ended September 30, 2009 Compared to September 30, 2008

Net income for the three months ended September 30, 2009 was $10.4 million compared to $7.0 million for the three months ended September 30, 2008.

A comparison of revenues for the three month periods ended September 30, 2009 and 2008, is as follows ($ amounts in thousands):

	2009	% of Total	2008	% of Total	Year over Year Change
Base rents	$ 22,837	67.0%	$ 23,373	70.6%	-2.3%
Straight-line rents	3,244	9.5%	767	2.3%	322.9%
Percentage rents	799	2.3%	959	2.9%	-16.7%
Fee income	37	0.1%	111	0.3%	-66.7%
Interest from loans	7,176	21.1%	7,907	23.9%	-9.2%
Total revenue	$ 34,093	100.0%	$ 33,117	100.0%	2.9%

Base rents for the 2009 third quarter decreased 2.3% versus the prior year as a result of the loss in rental income from the Bucks facility, which exceeded the additional rent generated from the annual escalation provisions in the leases.

Straight-line rents in 2009 included $1.1 million in additional rent from our Redding facility. In addition, we recorded a $1.5 million charge in the 2008 third quarter for the write-off of straight-line rent associated with the closure of our River Oaks facility and the termination of the prior lease agreement on the Redding hospital. See Note 3 to our condensed consolidated financial statements in Item 1 of this Form 10-Q for more information.

Real estate depreciation and amortization during the third quarter of 2009 was $6.5 million compared to $10.6 million during the third quarter of 2008, a 39.1% decrease. All of this decrease is related to the $4.5 million charge in the 2008 third quarter to accelerate the amortization of intangible lease assets on the River Oaks and Redding properties due to lease terminations as noted in Note 3 to our condensed consolidated financial statements in Item 1 of this Form 10-Q.

Property-related expenses in the third quarter of 2009 increased from $0.3 million to $2.3 million. Approximately $1.1 million of this increase related to maintenance, utility costs, property taxes, and legal costs associated with our vacant River Oaks and previously vacant Bucks facility and $0.4 million in legal expense related to matters involving the previous tenant of our Redding facility. These expenses are typically paid by our tenants. No such expenses related to River Oaks, Bucks or Redding facilities were recorded in 2008. In addition, approximately $0.6 million in bad debt expense was recognized during the third quarter of 2009 related to our leases of six wellness centers.

General and administrative expenses in the third quarter of 2009 remained relatively flat compared to the same period in 2008, reflecting a slight increase in cash compensation in 2009 due to the addition of key employees.

Interest expense for the quarters ended September 30, 2009 and 2008 totaled $9.4 million and $10.8 million, respectively. This decrease is related primarily to higher debt balances in the 2008 quarter.

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In addition to the items noted above, net income for the quarters was impacted by discontinued operations. See Note 8 to our condensed consolidated financial statements of in Item 1 to this Form 10-Q for further information.

Nine Months Ended September 30, 2009 Compared to September 30, 2008

Net income for the nine months ended September 30, 2009, was $28.9 million compared to net income of $31.3 million for the nine months ended September 30, 2008.

A comparison of revenues for the nine month periods ended September 30, 2009 and 2008, is as follows:

	2009	% of Total	2008	% of Total	Year over Year Change
Base rents	$ 68,691	70.1%	$ 59,610	68.0%	15.2%
Straight-line rents	5,856	6.0%	4,707	5.4%	24.4%
Percentage rents	1,630	1.7%	1,040	1.2%	56.7%
Fee income	212	0.2%	1,204	1.4%	-82.4%
Interest from loans	21,592	22.0%	21,068	24.0%	2.5%
Total revenue	$ 97,981	100.0%	$ 87,629	100.0%	11.8%

The increase in base rents, percentage rent, and interest is primarily due to acquisitions and other new investments. In the 2008 second quarter, and early third quarter, we completed the acquisition of 20 properties for $357.2 million from a single seller and five properties for $60 million that were subsequently leased to Prime.

Straight-line rent for the first nine months of 2009 included $1.1 million in additional rent for our Redding facility. The write-off of straight-line rent receivables in the 2008 third quarter related to the River Oaks and Redding properties were offset by a similar reserve/write-off for our Covington and Denham Springs properties in the 2009 second quarter. See Note 3 to our condensed consolidated financial statements in Item 1 of this Form 10-Q for more information on the activity in the period related to straight-line rent.

Real estate depreciation and amortization during the first three quarters of 2009 was $19.4 million, compared to $19.5 million during the same period of 2008, a 0.4% decrease. Depreciation remained relatively flat as a result of an increase in the number of rent producing properties from 2008 to 2009 offset by the recognition of accelerated amortization of our lease intangibles associated with the River Oaks and Redding hospitals in September 2008 resulting in a charge of approximately $1.8 million and $2.7 million, respectively.

Property-related expenses during the first three quarters of 2009 increased from $0.5 million to $4.4 million. Approximately $2.5 million of this increase related to maintenance, utility costs, property taxes, and legal costs associated with our vacant River Oaks and Bucks facilities and $0.7 million in legal expense related to matters involving the previous tenant of our Redding facility. These expenses are typically paid by our tenants. No such expenses related to River Oaks, Bucks or Redding facility were recorded in 2008. In addition, approximately $0.6 million in bad debt expense was recognized during the third quarter of 2009 related to our leases of six wellness centers.

General and administrative expenses in the first three quarters of 2009 and 2008 totaled $16.3 million and $13.6 million, respectively, an increase of 19.8%, reflecting an increase in cash compensation in 2009 due to the addition of key employees. Cash compensation in 2009 was also higher due to a favorable accrual adjustment in 2008 related to the 2007 bonus year in which no bonus was paid. In addition, we experienced higher office and travel expenses in 2009 versus 2008 as a result of the expansion of our portfolio.

Interest expense for the nine months ended September 30, 2009 and 2008 totaled $28.3 million and $31.2 million, respectively. Interest expense was higher in the prior year primarily due to the $3.2 million non-cash charge for the write-off of costs associated with the short-term bridge facility that was terminated in June 2008.

In addition to the items noted above, net income for the nine month periods was impacted by discontinued operations. See Note 8 to our condensed consolidated financial statements in Item 1 to this Form 10-Q for further information.

Distribution Policy

We have elected to be taxed as a REIT commencing with our taxable year that began on April 6, 2004 and ended on December 31, 2004. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we distribute at least 90% of our REIT taxable income, excluding net capital gain, to our stockholders. It is our current intention to comply with these requirements and maintain such status going forward. The table below is a summary of our distributions declared during the two year period ended September 30, 2009:

Declaration Date	Record Date	Date of Distribution	Distribution per Share	
August 20, 2009	September 17, 2009	October 15, 2009	$	0.20
May 21, 2009	June 11, 2009	July 14, 2009	$	0.20
February 24, 2009	March 19, 2009	April 9, 2009	$	0.20
December 4, 2008	December 23, 2008	January 22, 2009	$	0.20

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Declaration Date	Record Date	Date of Distribution	Distribution per Share	
August 21, 2008	September 18, 2008	October 16, 2008	$	0.27
May 22, 2008	June 13, 2008	July 11, 2008	$	0.27
February 28, 2008	March 13, 2008	April 11, 2008	$	0.27
November 16, 2007	December 13, 2007	January 11, 2008	$	0.27

We intend to pay to our stockholders, within the time periods prescribed by the Internal Revenue Code (Code), all or substantially all of our annual taxable income, including taxable gains from the sale of real estate and recognized gains on the sale of securities. It is our policy to make sufficient distributions of cash or common shares to stockholders in order for us to maintain our status as a REIT under the Code and to avoid corporate income and excise taxes on undistributed income. Our Credit Agreement, signed in November 2007, limits the amounts of dividends we can pay to 100% of funds from operations, as defined in the Credit Agreement, on a rolling four quarter basis.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In addition, the value of our facilities will be subject to fluctuations based on changes in local and regional economic conditions and changes in the ability of our tenants to generate profits, all of which may affect our ability to refinance our debt if necessary. The changes in the value of our facilities would be affected also by changes in cap rates, which is measured by the current base rent divided by the current market value of a facility.

Our primary exposure to market risks relates to fluctuations in interest rates and equity prices. Refer to our 2008 Annual Report on Form 10-K, as amended, for a discussion of our quantitative and qualitative disclosures and analyses about market risk, which include, interest rate and share price sensitivity. During the nine months ended September 30, 2009, there were no material changes to our analyses.

Item 4. Controls and Procedures.

We have adopted and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b), under the Securities Exchange Act of 1934, as amended, we have carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be disclosed by us in the reports that we file with the SEC.

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

There have been no material changes to legal proceedings as presented in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 as filed with the commission on May 11, 2009.

Item 1A. Risk Factors.

There have been no material changes to the Risk Factors as presented in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 as filed with the commission on May 11, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) Not applicable.

(b) Not applicable.

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(c) Not applicable.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

The following exhibits are filed as a part of this report:

Exhibit Number	Description
10.1	Revolving Credit and Term Loan Agreement, dated November 30, 2007, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., as Borrower, the Several Lenders from Time to Time Parties Thereto, KeyBank National Association, as Syndication Agent, and JPMorgan Chase Bank, N.A. as Administrative Agent, with J.P. Morgan Securities Inc. and KeyBank National Association, as Joint Lead Arrangers and Bookrunners
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Consolidated Financial Statements of Prime Healthcare Services, Inc. as of September 30, 2009. Since affiliates of Prime Healthcare Services, Inc. lease more than 20% of our total assets under triple net leases, the financial status of Prime may be considered relevant to investors. Prime s most recently available financial statements (unaudited, as of and for the period ended September 30, 2009) are attached as Exhibit 99.1 to this Quarterly Report on Form 10-Q. We have not participated in the preparation of Prime s financial statements nor do we have the right to dictate the form of any financial statements provided to us by Prime.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MEDICAL PROPERTIES TRUST, INC.

By: /s/ R. Steven Hamner
R. Steven Hamner
Executive Vice President and Chief Financial Officer
(On behalf of the Registrant and as the Registrant s Principal Financial and Accounting Officer)

Date: November 9, 2009

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