American Realty Capital Trust, Inc.
Form POS AM
March 11, 2011

As filed with the Securities and Exchange Commission on March 11, 2011

Registration No. 333-145949

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 1 TO
POST-EFFECTIVE AMENDMENT NO. 11 TO
FORM S-11
FOR REGISTRATION
UNDER THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

AMERICAN REALTY CAPITAL TRUST, INC.

(Exact Name of Registrant as Specified in Its Governing Instruments)

106 York Road
Jenkintown, Pennsylvania 19046
(215) 887-2189

(Address, Including Zip Code and Telephone Number,
Including Area Code, of Registrant s Principal Executive Offices)

Nicholas S. Schorsch
AMERICAN REALTY CAPITAL TRUST, INC.
106 York Road
Jenkintown, Pennsylvania 19046
(215) 887-2189

(Name and Address, Including Zip Code and Telephone Number,
Including Area Code, of Agent for Service)

With a Copy to:

Peter M. Fass, Esq.
Proskauer Rose LLP
Eleven Times Square
New York, New York 10036-8299
(212) 969-3000

Approximate Date of Commencement of Proposed Sale to Public: As soon as practicable after the registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If delivery of the prospectus is expected to be made pursuant to Rule 434, check, the following box: o

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 o	Accelerated filer o
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company o

This Post-Effective Amendment No. 11 consists of the following:

Supplement No. 3, dated March 11, 2011.

Registrant s final form of Prospectus dated December 13, 2010.

Part II, included herewith.

Signatures, included herewith.

Peter M. Fass, Esq. Proskauer Rose LLP Eleven Times Square New York, New York 10036-8299 (212) 969-3000

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AMERICAN REALTY CAPITAL TRUST, INC.

SUPPLEMENT NO. 3 DATED March 11, 2011 TO THE PROSPECTUS DATED December 13, 2010

This prospectus supplement (this Supplement No. 3) is part of the prospectus of American Realty Capital Trust, Inc. (we, us, our, the REIT or the Company), dated December 13, 2010 (the Prospectus), and should be read in co with the Prospectus. This Supplement No. 3 supplements, modifies or supersedes certain information contained in our Prospectus. This Supplement No. 3 consolidates, supersedes and replaces all prior Supplements and must be read in conjunction with our Prospectus. Unless otherwise indicated, the information contained herein is current as of the filing date of the prospectus supplement in which the Company initially disclosed such information. This Supplement No. 3 will be delivered with the Prospectus.

The purpose of this supplement is to disclose, among other things, the following:

- operating information, including the status of the offering, shares currently available for sale, portfolio data including recent real estate investments and potential property investments, selected financial data, status of distributions, share repurchase program information and status of fees paid and deferred to our advisor, dealer manager and their affiliates;
- updates to our criteria for investor suitability;
- information regarding management and management compensation;
- our investment in a joint venture with one of our affiliates;
- recently completed acquisitions of real estate investments; and
- updates regarding our Section 1031 Exchange Program.

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OPERATING INFORMATION

Status of Offering

We commenced our initial public offering of 150,000,000 shares of common stock on January 25, 2008. As of February 28, 2011, we had issued 76.3 million shares of common stock. Total gross proceeds from these issuances were $746.4 million. As of February 28, 2011, the aggregate value of all share issuances and subscriptions outstanding was $755.4 million based on a per share value of $10.00 (or $9.50 per share for shares issued under the DRIP).

On August 5, 2010, we filed a registration statement on Form S-11 with the U.S. Securities Exchange Commission, or the SEC, to register $325,000,000 of common stock for the follow on offering to our primary offering. Our primary offering was originally set to expire on January 25, 2011. However, as permitted by Rule 415 of the Securities Act of 1933, as amended, or the Securities Act, we will now continue our primary public offering until the earlier of July 25, 2011, or the date that the SEC declares the registration statement for the follow on offering effective.

Shares Currently Available for Sale

As of February 28, 2011, there were 74.4 million shares of our common stock available for sale, excluding shares available under the DRIP.

Real Property Investments

Real Estate Portfolio

As of February 28, 2011, we owned interests in 281 real estate properties acquired from third parties unaffiliated with us or our advisor. All properties are net leased commercial properties that are 100% leased to investment grade or other credit worthy tenants. The following is a summary of our real estate properties as of February 28, 2011 (dollars in thousands):

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(1) Remaining lease term as of December 31, 2010, in years. If the portfolio has multiple locations with varying lease expirations, remaining lease term is calculated on a weighted-average basis.

(2) Contract purchase price excluding acquisition related costs.

(3) Net operating income divided by base purchase price.

(4) Net operating income is annualized rental income for the property portfolio on a straight-line basis less annualized operating expenses and excludes any operating expenses that are not specific to an individual property or property portfolio.

(5) Ownership percentage is 51% of one property and 65% of one property.

(6) Ownership percentage of three properties is 51% and 100% of the remaining seven properties.

(7) Ownership percentage of six properties is 51% and 100% of the remaining six properties.

(8) Includes the September 2010 purchase of a parcel of land with a ground lease which contains a previously purchased CVS pharmacy.

(9) Property is a parcel of land with a ground lease which contains a building that will be conveyed to the Company at the end of the ground lease. Square footage and number of buildings refers to the building that is constructed on the parcel of land owned by the Company.

We believe that our real estate properties are suitable for their intended purpose and adequately covered by insurance. We do not intend to make significant renovations or improvements to our properties.

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Yield On Real Estate Investments

In the following table, the amount of the Year 1 yield based upon the contract purchase price of the acquired properties as compared to the Year 1 total rent is approximately 7.67%, which excludes contractual rent increases occurring in future years. The amounts in the following table are as of February 28, 2011. (dollars in thousands):

	Purchase Price	Current Mortgage Debt	Effective Interest Rate[1]	Portfolio-Level Leverage	Rent Year 1	Rent Year 2	Base Rent Increase (Year 2)[2]
FedEx	$ 9,694	$ 6,965	6.29 %	68.2 %	$ 703	$ 703	3.78% and 3.65% in years 6 and 11, respectively
First Niagara	40,976	30,873	6.59 %	74.1 %	3,064	3,064	
Rockland	32,188	23,088	4.92 %	69.7 %	2,306	2,340	1.5% annually
PNC Bank	6,664	4,324	4.58 %	63.1 %	466	466	10% after 5 years
Rite Aid	18,576	12,808	6.97 %	68.0 %	1,404	1,404	
PNC	40,925	31,367	5.25 %	72.2 %	2,960	2,960	10% after 5 years
FedEx II	31,692	16,062	6.03 %	50.7 %	2,580	2,580	1% increase in years 5 and 9
Walgreens	3,818	1,550	6.64 %	40.6 %	310	310	
CVS	44,371	23,417	6.88 %	52.8 %	3,387	3,387	5% increase every 5 years
CVS II	59,788	32,682	6.64 %	54.7 %	4,984	4,984	5% increase every 5 years
Home Depot	23,532	12,150	6.03 %	51.6 %	1,806	1,839	2% increase annually
BSFS	15,041	3,791	6.61 %	25.2 %	1,048	1,048	6.25% every 5 years
Advanced Auto	1,730				160	160	
Fresenius	12,462	6,029	6.63 %	48.4 %	1,023	1,023	Approximately 10% in years 2 and 7
Reckit Benckieser	31,735	14,856	6.23 %	46.8 %	2,279	2,434	2.0% annually
Jack in the Box	10,010	5,318	6.51 %	53.1 %	639	639	
BSFS II	26,414				2,150	2,150	6.25% every 5 years
FedEx III	34,171	15,000	5.57 %	43.9 %	2,761	2,880	Increases every 30 months based on CPI, min 5%/max 10 %
Jared Jewelry	5,457				580	580	10% increase every 5 years
Walgreens II	5,684	3,000	5.58 %	52.8 %	453	453	
IHOP	2,445				192	192	5% increase every 5 years

Advance Auto II	3,674	(6)			308	308	
Super Stop & Shop	23,795	10,800	5.32 %	45.4 %	1,784	1,784	Increases approx. 7.5% every 5 years
IHOP II	2,300				180	180	10% increase every 5 years
IHOP III	3,319				239	261	10% increase every 5 years

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	Purchase Price	Current Mortgage Debt	Effective Interest Rate[(1)]	Portfolio-Level Leverage	Rent Year 1	Rent Year 2	Base Rent Increase (Year 2)[(2)]
Jared Jewelry II	1,635				174	182	10% increase every 5 years
Jack in the box II	11,396				892	892	Increase every five years based on CPI with max 10 %
Walgreens III	5,062	6,550 (6)	5.58 %	50.3 %(7)	385	385	
Dollar General	1,228				118	118	10% increase every 5 years
Tractor Supply	10,892	(9)			885	885	10% increase every 5 years
Advance Auto III	4,287	(6)			358	358	
CSAA/CVS	4,859	(8)			352	352	
CSAA/First Fifth Bank	6,199	(8)			440	440	10% increase every 5 years
CSAA/Walgreens	26,864	16,500 (8)	4.36 %	43.5 %(5)	1,948	1,948	
CSAA/Chase Bank	6,496	3,100	4.36 %	47.7 %	464	473	2.0% annually
CSAA/Home Depot	8,720	3,900	4.56 %	44.7 %	621	621	
IHOP IV	30,000	12,450	5.32 %	41.5 %	2,448	2,516	10% increase every 5 years
O Reilly Auto	2,450	(9)			208	208	Increases 5% in year 11
Walgreens IV	6,439	(9)			499	499	
Walgreens V	4,767	(9)			379	379	
Kum & Go	22,515				1,890	1,890	Increases 8% every 5 years
FedEx IV	3,576	(9)			289	289	Increases 5% in year 6
AutoZone	10,228	(9)			859	859	
Brown Shoe/Payless	68,773	28,200	4.92 %	41.0 %	5,777	5,777	10% increase every 5 years
	9,838		4.51 %	51.3 %(7)	728	728	

Saint Joseph s Mercy Medical		24,700 (9)					1.5% per year after first 5 years
Advance Auto IV	1,270				106	106	
Kum and Go II	2,895				246	246	7.5% increase every 5 years
Tractor Supply II	2,388				197	197	10% increase every 5 years
Federal Express V	2,800				226	226	
Walgreens VI	40,071	22,900	5.86 %	57.1 %	2,805	2,805	
Federal Express VI	28,600	(10)			2,119	2,119	1.5% increase every year
Dollar General II	1,281				115	115	
Federal Express VII	18,800	24,300 (10)	4.55 %	51.3 %(7)	1,393	1,393	

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	Purchase Price	Current Mortgage Debt	Effective Interest Rate[1]	Portfolio-Level Leverage	Rent Year 1	Year 2	Base Rent Increase (Year 2)[2]
Federal Express VIII	10,891				893	893	
BB&T	3,781				265	273	3.0% increase every year
Walgreens VII	2,950				261	261	
Federal Express IX	6,012				486	486	5.0% increase in year 6
Dollar General III	2,867				248	248	3.0% increase in year 11
Tractor Supply III	4,825				387	387	10.0% increase every 5 years
DaVita Dialysis	2,848				232	232	
Dollar General IV	1,236				111	111	
Lowe s	10,018				675	675	
Citizens Bank	3,811	3,011	6.39 %	79.0 %	344	329	2.5% increase every year, after 7% decrease in August 2011
QuickTrip	3,330				291	291	
Dillions	5,075				396	396	
Wawa	17,209				1,205	1,205	
Walgreens TH	54,569	9,420	5.98 %	95.6 %[7]	3,737	3,737	
Davita Dialysis II	5,512				444	453	2.0% increase every year
CVS III	5,199				377	377	
Automated Trading	27,275	13,800	5.66 %	50.6 %	1,836	1,836	
Coats & Clark	9,523				763	892	
Walgreen VIII	5,460				401	401	
Total Portfolio[3]	$ 1,017,181	$ 422,911	5.67 %	41.4 %	$ 78,029	$ 78,608	
Investment Grade Tenants (based on Rent S&P BBB- or better)	73.4 %						
	15.7 %						

Average Remaining Lease Term (years)[4]

(1) Interest rate includes the effect of in-place hedges, as applicable.

(2) Increase does not take into account lease escalations that commence in future years or adjustments based on the Consumer Price Index.

(3) Weighted average rate as of February 28, 2011.

(4) As of February 28, 2011 Primary lease term only (excluding renewal option periods).

(5) The loan has a four-year term, with the first three years considered the initial term at an interest rate of 6.25%, and a one-year extension at an interest rate of 6.50%.

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(6) Walgreens III and Advance Auto II and III collateralize a $6.5 million mortgage note payable.

(7) Leverage ratio includes all properties that collateralize the mortgage note payable.

(8) Certain CSAA properties collateralize a $16.5 million mortgage note payable.

(9) Tractor Supply, O Reilly Auto, Walgreens IV and V, FedEx IV, AutoZone and Saint Joseph s Mercy collateralize a $24.7 million mortgage.

(10) FedEx VII and FedEx VIII collateralize a $24.3 million mortgage note payable.

Significant Tenants and Lease Expirations

The following table sets forth information regarding the two tenants occupying ten percent or more of the aggregate rentable square footage of our real estate investment portfolio, as of February 28, 2011:

(1) Remaining lease term in years as of February 28, 2011. If the portfolio has multiple locations with varying lease expirations, remaining lease term is calculated on a weighted-average basis.

(2) Annual rent in thousands.

The following table lists tenants whose rental income represented greater than 10% of consolidated income at February 28, 2011

FedEx	15	%
Walgreens	13	%
CVS	11	%

The following is a summary of lease expirations for the next ten years as of February 28, 2011 (dollars in thousands):

Year of Expiration	Number of Leases Expiring	Annualized Base Rent(1)	Percent of Portfolio Annualized Base Rent Expiring		Leased Rentable Sq. Ft.	Percent of Portfolio Rentable Sq. Ft. Expiring	
2011							
2012							
2013							
2014	2	$ 160	0.2	%	9,841	0.2	%
2015							
2016	3	482	0.6	%	27,675	0.4	%
2017	1	179	0.2	%	12,613	0.2	%
2018	62	5,799	6.9	%	493,965	8.0	%
2019	5	1,224	1.5	%	86,691	1.4	%
2020	8	2,490	3.0	%	560,096	9.1	%
2021	4	3,564	4.3	%	136,519	2.2	%
Total	85	$ 13,898	16.6	%	1,327,400	21.5	%

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(1) The 85 leases listed above are with the following tenants: FedEx, Rockland Trust Company, PNC Bank, Rite Aid, IHOP, O Reilly Auto, Advance Auto, Kum & Go, BB&T, DaVita Dialysis, Citizens Bank, Dillons and Coats and Clark.

No material tenant credit issues have been identified at this time. As of February 28, 2011, we had no tenants with rent balances outstanding over 90 days.

Selected Financial Data

The selected financial data presented below has been derived from our consolidated financial statements as of and for the nine months ended September 30, 2010 and as of and for the year ended December 31, 2009 (in thousands):

Balance Sheet Data:	Nine Months Ended September 30, 2010 (Unaudited)	Year Ended December 31, 2009
Total real estate investments, net	$ 650,437	$ 327,264
Cash	4,406	5,010
Restricted cash	77	43
Prepaid expenses and other assets	8,700	4,458
Total assets	669,611	339,277
Mortgage notes payable	285,668	183,811
Short-term bridge equity funds		15,878
Long-term notes payable	12,790	13,000
Total liabilities	321,111	228,721
Total stockholders equity	348,500	110,556
Total liabilities and stockholders equity	669,611	339,277
Operating Data:		
Rental income	28,737	14,964
Asset management fees to affiliate	850	145
Operating income	11,073	5,491
Interest expense	12,511	10,352
Net loss	1,377	4,266
Cash Flow Data:		
Net cash provided by (used in) operating activities	11,242	(2,526)
Net cash used in investing activities	(337,523)	(173,786)
Net cash provided by financing activities	325,677	180,435

Status of Distributions

On February 25, 2008, our Board of Directors declared a distribution for each monthly period commencing 30 days subsequent to acquiring our initial portfolio of real estate investments. Accordingly, our daily distributions commenced accruing on April 5, 2008. The REIT s initial distribution payment was paid to shareholders on May 21, 2008 representing distributions accrued from April 5, 2008 through April 30, 2008. Subsequently, we modified the payment date to the 2nd day following each month-end to stockholders of record at the close of business each day during the applicable period. The distribution was calculated based on stockholders of record each day during the applicable period at a rate of $0.00178082191 per day, and equaled a daily amount that, if paid each day for a 365-day period, equaled a 6.5% annualized rate based on the share price of $10.00.

On November 5, 2008, the Board of Directors of American Realty Capital Trust, Inc. (the Company) approved an increase in its annual cash distribution from $.65 to $.67, paid monthly. Based on a $10.00 share price, this 20-basis point increase, effective January 2, 2009, will result in an annualized distribution rate of 6.7%. For the period from January 1, 2008 through October 20, 2009 distributions paid totaled $2,414,456,

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inclusive of $933,631 of common shares issued under the distribution reinvestment plan. We have continued to pay distributions to our shareholders each month since our initial distributions payment.

On October 5, 2009, the Board of Directors of the Company approved a special distribution of $0.05 per share payable to shareholders of record on December 31, 2009. This special distribution will be paid in January 2010, and shall be paid in addition to the current annualized distribution of $0.67 per share. In the event we do not have enough cash to make distributions in the future, we may borrow, use proceeds from this offering, issue additional securities or sell assets in order to fund distributions.

On January 27, 2010, the Board of Directors approved an increase in its annual cash distribution from $.67 to $.70, paid monthly. Based on a $10.00 share price, this 30 basis point increase, effective April 1, 2010, will result in an annualized distribution rate of 7.0%.

To date, the Company s distributions have been paid with a combination of cash flows from operations and the proceeds from the sales of common stock. There can be no assurance that cash flows from operations will be sufficient to pay distributions in future periods.

The following table shows the sources for the payment of distributions for the year ended December 31, 2010.

	Year Ended December 31, 2010			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Distributions paid in cash	$ 1,821	$ 2,118	$ 3,097	$ 4,590
Distributions reinvested	$ 1,407	$ 1,726	$ 2,584	$ 3,601
Total distributions	$ 3,228	$ 3,844	$ 5,681	$ 8,191
Source of distributions:				
Cash flows provided by (used in) operations (GAAP basis)	$ 1,821	$ 2,118	$ 3,097	$ 4,590
Proceeds from issuance of common stock	$ 1,407	$ 1,726	$ 2,584	$ 3,601
Total sources	$ 3,228	$ 3,844	$ 5,681	$ 8,191

The following table summarizes the Company s historical and prospective distribution rate, reflecting the special distribution and increase to the annual rate effective April 1, 2010 noted above:

Period	Annualized Distribution Rate	Number of Months
May 2008[(1)] to December 2008	6.5 %	8
January 2009 to March 2010	6.7 %	15
Special Distribution January 2010[(2)]	0.5 %	
	7.2 %[(2)]	
April 2010 to February 28, 2011	7 %	11

(1) initial distribution was paid in May 2008.

(2) payable to shareholders of record as of December 31, 2009, resulting in a minimum distribution rate of 7.2% for an investor who owned a common share of the Company for the full year ended December 31, 2009.

The Company determined distributions paid to shareholders in 2010 to be reported as nondividend distributions on Form 1099 for the applicable period. Accordingly, such distributions are generally not subject to ordinary income tax in the related period. This tax characterization is consistent with distributions paid to shareholders in 2009. The tax characterization of the Company s distributions is determined on an annual basis.

The portion of the distribution that is not subject to tax in a respective tax year is considered a return of capital for tax purposes and will reduce the tax basis of a shareholder s investment. This defers a portion of applicable taxes until the investment is sold or the Company is liquidated, at which time the shareholder will be taxed at capital gains rates. However, because each investor s tax considerations are different, the Company recommends that investors consult with their tax advisor.

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The following is a chart of monthly distributions declared and paid since the commencement of the offering:

	Total	Cash	Distribution Reinvestment Plan
2008:			
April	$	$	$
May	30,262	22,008	8,254
June	49,638	35,283	14,355
July	55,042	34,788	20,254
August	57,584	36,519	21,065
September	61,395	39,361	22,034
October	61,425	41,078	20,347
November	65,496	43,646	21,850
December	64,442	42,876	21,566
	$445,284	**$295,559**	**$149,725**
2009:			
January	$69,263	46,227	$23,036
February	76,027	50,214	25,813
March	74,915	49,020	25,895
April	101,282	64,375	36,907
May	128,867	78,604	50,263
June	180,039	106,741	73,298
July	217,325	127,399	89,926
August	290,230	177,620	112,610
September	375,926	220,165	155,761
October	455,051	264,729	190,322
November	563,472	328,555	234,917
December	643,125	374,715	268,410
	$3,175,522	**$1,888,364**	**$1,287,158**
2010:			
January(1)	$1,498,413	$855,282	$643,131
February	866,051	485,025	381,026
March	863,896	480,674	383,222
April	1,085,719	600,607	485,112
May	1,262,558	695,838	566,720
June	1,496,076	821,779	674,296
July	1,637,264	894,427	742,837
August	1,895,554	1,028,264	867,290
September	2,148,405	1,174,295	974,110
October	2,381,898	1,327,982	1,053,916
November	2,774,854	1,558,061	1,216,792
December	3,034,272	1,704,162	1,330,110
	$20,944,959	**$11,626,396**	**$9,318,563**
2011:			
January	$3,514,813	$1,984,428	$1,530,385
February	3,869,831	2,184,773	1,685,058

	$7,384,644	**$4,169,201**	**$3,215,443**
Distributions	**$31,950,409**	**$17,979,520**	**$13,970,889**

(1) Includes the special distribution paid on January 19, 2010 to shareholders of record as of December 31, 2009.
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The Company, Board of Directors and Advisor share a similar philosophy with respect to paying the dividend. The dividend should principally be derived from cash flows generated from real estate operations. Specifically, funds from operations should equal or exceed distributions in a given period. If needed, the Advisor generally expects to waive its asset management fee and forego entitled reimbursements to ensure the full coverage of the Company s distributions. The fees and reimbursement that are waived are not deferrals and accordingly, will not be paid by the Company.

Share Repurchase Program

As of December 31, 2010, we received requests cumulatively to date to redeem 302,528 common shares pursuant to our Share Redemption Plan. We approved the redemption of 100% of the redemption requests as of December 31, 2010, at an average price per share of $9.788. We funded share redemptions from the cumulative proceeds of the sale of our common shares pursuant to our Dividend Reinvestment Plan.

Status of Fees Paid and Deferred

The following table sets forth the fees and expenses paid through February 28, 2011 (amounts in thousands).

	Total Fees Paid	Total Fees Deferred	Total Fees Forgiven per Year
January 1, 2008 to December 31, 2008			
Organizational and Offering Expenses	$ 2,289	$	$ 200
Acquisition Fees	$ 1,507	$	$
Finance Coordination Fees	$ 1,131	$	$
Property Management Fees	$	$	$ 100
Asset Management Fees	$	$	$ 733
January 1, 2009 to December 31, 2009			
Organizational and Offering Expenses	$ 7,202	$	$ 3,800
Acquisition Fees	$ 1,690	$	$
Finance Coordination Fees	$ 880	$	$
Property Management Fees	$	$	$ 300
Asset Management Fees	$ 145	$	$ 1,779
January 1, 2010 to December 31, 2010			
Organizational and Offering Expenses	$ 10,665	$	$
Acquisition Fees	$ 5,462	$	$
Finance Coordination Fees	$ 2,679	$	$
Property Management Fees	$	$	$ 833
Asset Management Fees	$ 1,350	$	$ 4,010
January 1, 2011 to February 28, 2011			
Organizational and Offering Expenses	$ 1,236	$	$
Acquisition Fees	$ 1,468	$	$
Finance Coordination Fees	$ 505	$	$
Property Management Fees	$	$	$ 243
Asset Management Fees	$ 500	$	$

Amounts paid to the advisor include approximately of $10,728 million offering costs incurred by the affiliated advisor and dealer manager that exceeds 1.5% of gross offering proceeds earned cumulatively through September 30, 2010.

Any organizational or offering expenses that exceed 1.5% of gross offering proceeds over the term of the offering will be the advisor s obligation.

We pay the advisor an annualized asset management fee of up to 1.0% based on the aggregate contract purchase price of all properties. As of December 31, 2010, we paid $4.4 million to the Advisor who will determine if such fees will be partially waived in subsequent periods on a quarter-to-quarter basis.

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PROSPECTUS UPDATES

Suitability Standards

The following disclosure is to be added as the second paragraph of the section of the Prospectus entitled Suitability Standards on page (i).

FINRA Rule 2310(b)(3)(D) requires that we disclose the liquidity of prior public programs sponsored by American Realty Capital, our sponsor. American Realty Capital has sponsored the following eight other public programs: American Realty Capital Trust II, Inc., American Realty Capital Trust III, Inc., American Realty Capital New York Recovery REIT, Inc., American Realty Capital Healthcare Trust, Inc., American Realty Capital Retail Centers of America, Inc., Phillips Edison ARC Shopping Center REIT, Inc., ARC-Northcliffe Income Properties, Inc. and Business Development Corporation of America. Although the prospectus for each of these public programs states a date or time period by which it may be liquidated, each of American Realty Capital Trust II, Inc., American Realty Capital Trust III, Inc., American Realty Capital Retail Centers of America, Inc. and ARC-Northcliffe Properties, Inc. are currently in registration with the SEC and American Realty Capital New York Recovery REIT, Inc., Phillips-Edison ARC Shopping Center, Inc., American Realty Capital Healthcare Trust, Inc. and Business Development Corporation of America are in their offering and acquisition stages. None of these public programs have reached the stated date or time period by which they may be liquidated.

The fourth bullet point under of the section of the Prospectus entitled Suitability Standards on page (ii) is revised to remove the requirement that Mississippi residents represent they have a net worth of at least 10 times the amount of their investment in the offering and other similar programs, as follows:

Alabama In addition to the suitability standards above, shares will only be sold to Alabama residents that represent that they have a liquid net worth of at least 10 times the amount of their investment in this real estate investment program and other similar programs.

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Questions and Answers about this Offering

The following language replaces the first question and response under the heading Questions and Answers about this Offering beginning on page (viii) of the Prospectus.

Q: Who is American Realty Capital Trust, Inc.?

A: We are the first REIT sponsored by American Realty Capital. We are a Maryland corporation organized on August 17, 2007 which qualified as a REIT beginning with the taxable year ended December 31, 2008. Since such time, American Realty Capital has sponsored eight other publicly offered REITS which include American Realty Capital New York Recovery REIT, Inc., or Recovery REIT, a Maryland corporation organized on October 6, 2009, Phillips Edison ARC Shopping Center REIT, Inc., or PEARC, a Maryland corporation organized on October 13, 2009, American Realty Capital Retail Centers of America, Inc., or ARC RCA, a Maryland corporation organized on July 29, 2010, American Realty Capital Healthcare Trust, Inc., or ARC HT, a Maryland corporation organized on August 23, 2010, American Realty Capital Trust II, Inc., or ARCT II, a Maryland corporation organized on September 10, 2010, ARC Northcliffe Income Properties, Inc., or ARC Northcliffe, formerly known as Corporate Income Properties ARC, Inc., a Maryland corporation organized on September 29, 2010 and American Realty Capital Properties, Inc., a Maryland corporation organized on December 2, 2010. Additionally, American Realty Capital has sponsored Business Development Corporation of America, Inc., or Business Development Corporation, a Maryland corporation organized on May 5, 2010. Business Development Corporation is a publicly offered specialty finance company which has elected to be treated as a business development company under the Investment Company Act of 1940. For additional information concerning these other American Realty Capital-sponsored REITs, please see the section in this prospectus entitled Conflicts of Interest.

The following language replaces the third question and response under the heading Questions and Answers about this Offering on page (viii) of the Prospectus.

Q: What is the experience of your officers and directors both in real estate in general and with net leased assets in particular?

A: **Nicholas S. Schorsch** has been the chairman of the board and chief executive officer of our company since its formation in August 2007. Mr. Schorsch has been the chief executive officer of our advisor and property manager since their formation in August 2007. Mr. Schorsch has been the chairman and chief executive officer of Recovery REIT since its formation in October 2009 and chief executive officer of Recovery REIT s advisor and property manager since their formation in November 2009. Mr. Schorsch has been the chairman and chief executive officer of ARC RCA and chief executive officer of the ARC RCA s advisor since their formation in July and May 2010, respectively. Mr. Schorsch has been the chairman and chief executive officer of ARC HT and chief executive office of the ARC HT s advisor and property manager since their formation in August 2010. Mr. Schorsch has been chairman and the chief executive officer of Business Development Corporation since its formation in May 2010. Mr. Schorsch has been the chairman and chief executive officer of ARCT II and the chief executive officer of the advisor and property manager of ARCT II since their formation in September 2010. Mr. Schorsch has been the chairman and chief executive officer of ARCT III and the chief executive officer of the advisor and property manager of ARCT III since their formation in October 2010. Mr. Schorsch has been the president and director of ARC Northcliffe since its formation in September 2010. Mr. Schorsch also has been the chairman and chief executive officer of American Realty Capital Properties, Inc., or ARCP, since its formation in December 2010, and chairman and chief executive officer of its advisor since its formation in November 2010.

William M. Kahane has been a director and the president, treasurer and chief operating officer of our company since its formation in August 2007. Mr. Kahane has been president, chief operating officer and treasurer of our advisor and property manager since their formation in August 2007. Mr. Kahane has been a director and the president, chief operating officer and treasurer of Recovery REIT since its formation in October 2009. Mr. Kahane has been the president, chief operating officer and treasurer of Recovery REIT s advisor and property manager since their formation in November 2009. Mr. Kahane has been the director of PEARC since its formation in October 2009. Mr. Kahane has been a director and the president

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and chief operating officer of ARC RCA since its formation in July 2010. Mr. Kahane has been the president and chief operating officer of ARC RCA s advisor since its formation in May 2010. Mr. Kahane has been a director and the president and treasurer of ARC HT since its formation in August 2010. Mr. Kahane has been the president and chief operating officer of ARC HT s advisor and property manager since their formation in August 2010. Mr. Kahane has been the director, president and chief operating officer of Business Development Corporation since its formation in May 2010. Mr. Kahane has been a director and the president and treasurer of ARCT II since its formation in September 2010. Mr. Kahane has been the president and treasurer of the advisor and property manager for ARCT II since their formation in September 2010. Mr. Kahane has been a president, chief operating officer and treasurer of ARCT III since its formation in October 2010. Mr. Kahane has been the president, chief operating officer and treasurer of the advisor and property manager for ARCT III since their formation in October 2010. Mr. Kahane has been the chief operating officer of ARC Northcliffe since its formation in September 2010. Mr. Kahane also has been the president, chief operating officer and a director of ARCP since its formation in December 2010 and president and chief operating officer of its advisor since its formation in November 2010.

Please also see the section entitled Management in this prospectus.

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Estimated Use of Proceeds

The following language replaces the disclosure under the heading Prospectus Summary Estimated Use of Proceeds of This Offering on page 5 of the Prospectus.

Depending primarily on the number of shares we sell in this offering, we estimate for each share sold in this offering approximately $8.71 (assuming no shares available under our distribution reinvestment plan are sold) will be available for the purchase of real estate. We will use the remainder of the offering proceeds to pay the costs of the offering, including selling commissions and the dealer manager fee, and to pay a fee to our advisor for its services in connection with the selection and acquisition of properties. We will not pay selling commissions or a dealer manager fee on shares sold under our distribution reinvestment plan. The table below sets forth our estimated use of proceeds from this offering, including an update to such information provided previously for the period ended September 30, 2010:

For the five months ended February 28, 2011 (October 1, 2010 to February 28, 2011), the amount available for investment is 90.0% of gross offering proceeds raised during the period. Such amount for the period from inception to February 28, 2011 is 88.2% at noted in the above table. With respect to net proceeds available to be invested in properties, 88.1% of the proceeds received was invested. The actual results over the recently completed five-month period coupled with our anticipated results during the remainder of the offering position the Company to achieve its estimate of investing 87.1% of gross proceeds raised in real estate investments. As presented within the Compensation section included in this prospectus, organization and offering expenses will not exceed 1.5% of gross proceeds at the end of the offering. Our affiliated advisor is responsible for the payment of any organization and offering expenses to the extent they exceed 1.5% of gross offering proceeds.

The following language replaces the disclosure under the heading Estimated Use of Proceeds on page 47 of the Prospectus.

The following table sets forth information about how we intend to use the proceeds raised in this offering, including an update to such information provided previously for the period ended September 30, 2010. The table assumes that we sell the maximum offering of 150,000,000 shares of common stock pursuant to this. Many of the figures set forth below with respect to the maximum offering amount represent management s best estimate since they cannot be precisely calculated at this time. Assuming a maximum offering, we expect that approximately 87.115% of the money that stockholders invest will be used to buy real estate or make other investments and approximately 0.1% will be used for working capital, while the remaining approximately 12.885% will be used to pay expenses and fees including the payment of fees to Realty Capital Advisors, LLC, our advisor, and Realty Capital Securities, LLC, our dealer manager.

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For the five months ended February 28, 2011 (October 1, 2010 to February 28, 2011), the amount available for investment is 90.0% of gross offering proceeds raised during the period. Such amount for the period from inception to February 28, 2011 is 88.2% at noted in the above table. With respect to net proceeds available to be invested in properties, 88.1% of the proceeds received was invested. The actual results over the recently completed five-month period coupled with our anticipated results during the remainder of the offering position the Company to achieve its estimate of investing 87.1% of gross proceeds raised in real estate investments. As presented within the Compensation section included in this prospectus, organization and offering expenses will not exceed 1.5% of gross proceeds at the end of the offering. Our affiliated advisor is responsible for the payment of any organization and offering expenses to the extent they exceed 1.5% of gross offering proceeds.

(1) Based up our actual sale of 41,908,409 shares as of September 30, 2010 to the public at a price of $10.00 per share. No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at $9.50 per share.

(2) Based up our actual sale of 32,945,591 shares for the period from October 1, 2010 to February 28, 2011 to the public at a price of $10.00 per share. No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at $9.50 per share.

(3) Based up our actual sale of 74,854,000 shares as of February 28, 2011 to the public at a price of $10.00 per share. No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at $9.50 per share.

(4) Assumes the maximum offering is sold, which includes 150,000,000 shares offered to the public at $10.00 per share. No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at $9.50 per share.

(5) Includes selling commissions equal to 7% of aggregate gross offering proceeds, which commissions may be reduced for volume discounts described in Plan of Distribution Volume Discounts herein, and a dealer manager fee equal to 3% of aggregate gross offering proceeds, both of which are payable to the dealer manager, an affiliate of our advisor. The dealer manager, in its sole discretion, may reallow selling commissions of up to 7% of gross offering proceeds to other broker-dealers participating in this offering attributable to the shares sold by them and may reallow its dealer manager fee up to 2.5% of gross offering proceeds in marketing fees and 0.5% of gross offering proceeds in bona fide due diligence expenses (identified in an itemized invoice of their actual costs) to broker-dealers participating in this offering based on such factors including the participating broker-dealer s level of marketing support, level of due diligence review and success of its sales efforts, each as compared to those of the other participating broker-dealers. Additionally, we will not pay a selling commission or a dealer manager fee

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on shares purchased pursuant to our distribution reinvestment plan. See the Plan of Distribution section of this prospectus for a description of the volume discount provisions.

(6) Organization and offering expenses consist of reimbursement of actual legal, accounting, printing and other accountable offering expenses, including amounts to reimburse American Realty Capital Advisors, LLC, our advisor, for marketing, salaries and direct expenses of its employees, and employees of its affiliates while engaged in registering and marketing the shares (including, without limitation, development of marketing materials and marketing presentations, and participating in due diligence, training seminars and educational conferences) and other marketing, coordination, administrative oversight and organization costs, other than selling commissions and the dealer manager fee. American Realty Capital Advisors, LLC and its affiliates are responsible for the payment of organization and offering expenses, other than selling commissions and the dealer manager fee, to the extent they exceed 1.5% of gross offering proceeds, without recourse against or reimbursement by us; provided, however, that in no event will we pay or reimburse organization and offering expenses in excess of 10% of the gross offering proceeds. We currently estimate that approximately $22,500,000 of organization and offering costs will be incurred if the maximum offering of 150,000,000 shares is sold.

(7) Until required in connection with the acquisition and/or development of properties, substantially all of the net proceeds of the offering and, thereafter, any working capital reserves we may have, may be invested in short-term, highly-liquid investments including government obligations, bank certificates of deposit, short-term debt obligations and interest-bearing accounts.

(8) Acquisition fees are defined generally as fees and commissions paid by any party to any person in connection with identifying, reviewing, evaluating, investing in and the purchase, development or construction of properties. We will pay to our advisor, acquisition fees of 1% of the gross purchase price of each property acquired, which for purposes of this table we have assumed is an aggregate amount equal to our estimated amount invested in properties. Acquisition fees do not include acquisition expenses. For purposes of this table, we have assumed that no financing is used to acquire properties or other real estate assets.

(9) Acquisition expenses include legal fees and expenses, travel expenses, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses, title insurance premiums and other closing costs, personnel costs and miscellaneous expenses relating to the selection, acquisition and development of real estate properties. For purposes of this table, we have assumed expenses of 0.5% of average invested assets, which for purposes of this table we have assumed is our estimated amount invested in properties; however, expenses on a particular acquisition may be higher. Notwithstanding the foregoing, the total of all acquisition expenses and acquisition fees payable with respect to a particular property or investment shall be reasonable, and shall not exceed an amount equal to 4% of the gross purchase price of the property, or in the case of a mortgage loan 4% of the funds advanced, unless a majority of our directors (including a majority of our independent directors) not otherwise interested in the transaction approve fees and expenses in excess of this limit and determine the transaction to be commercially competitive, fair and reasonable to us.

(10) Working capital reserves typically are utilized for extraordinary expenses that are not covered by revenue generation of the property, such as tenant improvements, leasing commissions and major capital expenditures. Alternatively, a lender may require its own formula for escrow of working capital reserves. Because we expect most of our leases will be net leases, as described elsewhere herein, we do not expect to maintain significant working capital reserves.

(11) Includes amounts anticipated to be invested in properties net of fees, expenses and initial working capital reserves.

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Prospectus Summary

The following language replaces the disclosure under the heading Prospectus Summary Compensation to Advisor and its Affiliates on pages 8 16 of the Prospectus.

Our Advisor, American Realty Capital Advisors, LLC and its affiliates will receive compensation and reimbursement for services relating to this offering and the investment and management of our assets. The most significant items of compensation are included in the table below. The selling commissions and dealer manager fee may vary for different categories of purchasers. See the Plan of Distribution section of this prospectus. The table below assumes the shares are sold through distribution channels associated with the highest possible selling commissions and dealer manager fees. No effect is given to any shares sold through our distribution reinvestment plan.

Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
Selling Commission	We will pay to Realty Capital Securities, LLC 7% of gross proceeds of our primary offering; we will not pay any selling commissions on sales of shares under our distribution reinvestment plan; Realty Capital Securities, LLC will reallow all selling commissions to participating broker-dealers.	$43,817,000/$105,000,000
Dealer Manager Fee	We will pay to Realty Capital Securities, LLC 3% of gross proceeds of our primary offering; we will not pay a dealer manager fee with respect to sales under our distribution reinvestment plan; Realty Capital Securities, LLC may reallow all or a portion of its dealer manager fees to participating broker-dealers.	$21,478,000/$45,000,000
Other Organization and Offering Expenses	We will reimburse American Realty Capital Advisors, LLC up to 1.5% of gross offering proceeds for organization and offering expenses.	$21,392,000/$22,500,000

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Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
Operational Stage		
Acquisition Fees	We will pay to American Realty Capital Advisors, LLC 1% of the contract purchase price of each property acquired.	$10,127,000/$13,275,000
Acquisition Expenses	We will reimburse American Realty Capital Advisors, LLC for acquisition expenses (including, personnel costs) incurred in acquiring property. We expect these fees to be approximately 0.5% of the purchase price of each property. In no event will the total of all acquisition and advisory fees and acquisition expenses payable with respect to a particular investment exceed 4% of the contract purchase price.	$5,813,000/$6,000,000
Property Management and Leasing Fees	For the management and leasing of our properties, we will pay to American Realty Capital Properties, LLC, an affiliate of our advisor, a property management fee (a) 2% of gross revenues from our single tenant properties and (b) 4% of gross revenues from our multi-tenant properties, plus, in each case, market-based leasing commissions applicable to the geographic location of the property. We also will reimburse American Realty Capital Properties, LLC s costs of managing the properties. American Realty Capital Properties, LLC or its affiliates may also receive a fee for the initial leasing of newly constructed properties, which would generally equal one month s rent. In the unlikely event that American Realty Capital Properties, LLC assists a tenant with tenant improvements, a separate fee may be charged to, and payable by, us. This fee will not exceed 5% of the cost of the tenant improvements. The aggregate of all property management and leasing fees paid to our affiliates plus all payments to third parties for such fees will not exceed the amount that other nonaffiliated management and leasing companies generally charge for similar services in the same geographic location as determined by a survey of brokers and agents in such area.	Not determinable at this time. Because the fee is based on a fixed percentage of gross revenue and/or market rates, there is no maximum dollar amount of this fee.

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Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
Operating Expenses	We will reimburse our advisor s costs of providing administrative services, subject to the limitation that we will not reimburse our advisor for any amount by which our operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (a) 2% of average invested assets, or (b) 25% of net income other than any additions to reserves for depreciation, bad debt or other similar non-cash reserves and excluding any gain from the sale of assets for that period. Additionally, we will not reimburse our advisor for personnel costs in connection with services for which the advisor receives acquisition fees or real estate commissions.	Not determinable at this time.
Financing Coordination Fee	If our advisor provides services in connection with the origination or refinancing of any debt that we obtain, and use to acquire properties or to make other permitted investments, or that is assumed, directly or indirectly, in connection with the acquisition of properties, we will pay the advisor a financing coordination fee equal to 1% of the amount available and/or outstanding under such financing, subject to certain limitations.	$5,195,000/Because this fee is based on a fixed percentage of any debt financing, there is no maximum dollar amount of this fee.
Restricted Stock Awards	We have established an employee and director incentive restricted share plan pursuant to which our directors, officers and employees (if we ever have employees), employees of our advisor and its affiliates, employees of entities that provide services to us, directors of our advisor or of entities that provide services to us, certain of our consultants and certain consultants to our advisor and its affiliates or entities that provide services to us may be granted incentive awards in the form of restricted stock.	Restricted stock awards under our employee and director incentive restricted share plan may not exceed 5.0% of our outstanding shares on a fully diluted basis at any time, and in any event will not exceed 7,500,000 shares (as such number may be adjusted for stock splits, stock dividends, combinations and similar events).

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Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
	On September 13, 2010, our advisor granted 934,159 restricted shares of common stock to Nicholas S. Schorsch, chief executive officer of our advisor, 212,370 restricted shares of common stock to William M. Kahane, president and chief operations officer of our advisor, 160,604 restricted shares of common stock to Peter M. Budko, executive vice president chief investment officer of our advisor, 55,270 restricted shares of common stock to Edward M. Weil, Jr., executive vice president and secretary of our advisor and 37,597 restricted shares of common stock to Brian S. Block, executive vice president and chief financial officer of our advisor. Fifty percent of the restricted shares vest over a four year period commencing with the one year anniversary of the September 13, 2010 grant date and 50% vest only to the extent our net asset value plus the distributions paid to stockholders equals 106% of the original selling price of our common stock.	
Compensation and Restricted Stock Awards to Independent Directors	We pay to each of our independent directors a retainer of $30,000 per year, plus $2,000 for each board or board committee meeting the director attends in person ($2,500 for attendance by the chairperson of the audit committee at each meeting of the audit committee) and $1,500 for each meeting the director attends by telephone and $750 per transaction reviewed and voted upon via electronic board meeting up to a maximum of $2,250 for three or more transactions reviewed and voted upon per meeting. If there is a meeting of the board and one or more committees in a single day, the fees will be limited to $2,500 per day ($3,000 for the chairperson of the audit committee if there is a meeting of such committee).(1)(2)	The independent directors, as a group, will receive for a full fiscal year: (i) estimated aggregate compensation of approximately $120,000 and (ii) 9,000 restricted shares of common stock.

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Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
Liquidation/Listing Stage		
Real Estate Commissions	A brokerage commission paid on the sale of property, not to exceed the lesser of one-half of reasonable, customary and competitive real estate commission or 3% of the contract price for property sold (inclusive of any commission paid to outside brokers), in each case, payable to our advisor if our advisor or its affiliates, as determined by a majority of the independent directors, provided a substantial amount of services in connection with the sale.	Not determinable at this time. Because the commission is based on a fixed percentage of the contract price for a sold property, there is no maximum dollar amount of these commissions.
Subordinated Participation in Net Sale Proceeds (payable only if we are not listed on an exchange)	15% of remaining net sale proceeds after return of capital contributions plus payment to investors of a 6% cumulative, non-compounded return on the capital contributed by investors. We cannot assure you that we will provide this 6% return, which we have disclosed solely as a measure for our advisor s and its affiliates incentive compensation. We will not be entitled to the Subordinated Participation in Net Sale Proceeds unless our investors have received a 6% cumulative non-compounded return on their capital contributions.	Not determinable at this time. There is no maximum amount of these payments.
Subordinated Incentive Listing Fee (payable only if we are listed on an exchange, which we have no intention to do at this time)	15% of the amount by which our adjusted market value plus distributions exceeds the aggregate capital contributed by investors plus an amount equal to an 6% cumulative, non-compounded annual return to investors. We cannot assure you that we will provide this 6% return, which we have disclosed solely as a measure for our advisor s and its affiliates incentive compensation. We will not be entitled to the Subordinated Incentive Listing Fee unless our investors have received a 6% cumulative non-compounded return on their capital contributions.	Not determinable at this time. There is no maximum amount of this fee.

(1) An independent director who is also an audit committee chairperson will receive an additional $500 for personal attendance of all audit committee meetings.

(2) If there is a board meeting and one or more committee meetings in one day, the director s fees shall not exceed $2,500 ($3,000 for the chairperson of the audit committee if there is a meeting of such committee).

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Risk Factors

The following language is added immediately prior to the first complete risk factor on page 20 under the heading Risk Factors Risks Related to Conflicts of Interest in the Prospectus.

The management of multiple REITs, especially REITs in the development stage, by our executive officers and officers of our advisor may significantly reduce the amount of time our executive officers and officers of our advisor are able to spend on activities related to us and may cause other conflicts of interest, which may cause our operating results to suffer.

Our executive officers and officers of our advisor are part of the senior management or are key personnel of the other eight American Realty Capital-sponsored REITs and their advisors. Five of the American Realty Capital-sponsored REITs, have registration statements that are not yet effective and are in the development phase, and three of the American Realty Capital-sponsored REITs have registration statements that became effective in the past six months. As a result, such REITs will have concurrent and/or overlapping fundraising, acquisition, operational and disposition and liquidation phases as us, which may cause conflicts of interest to arise throughout the life of our company with respect to, among other things, finding investors, locating and acquiring properties, entering into leases and disposing of properties. Additionally, based on our sponsor s experience, a significantly greater time commitment is required of senior management during the development stage when the REIT is being organized, funds are initially being raised and funds are initially being invested, and less time is required as additional funds are raised and the offering matures. The conflicts of interest each of our executive officers and each officer of our advisor will face may delay our fund raising and investment of our proceeds due to the competing time demands and generally cause our operating results to suffer.

We will compete for investors with other programs of our sponsor, which could adversely affect the amount of capital we have to invest.

The American Realty Capital group of companies is currently the sponsor of nine public offerings of non-traded REIT shares and a public offering of shares for a REIT that has applied for listing on The NASDAQ Capital Market, which offerings will be ongoing during a significant portion of our offering period. These programs all have filed registration statements for the offering of common stock and intend to elect to be taxed as REITs. The offerings will likely occur concurrently with our offering, and our sponsor is likely to sponsor other offerings during our offering period. Our dealer manager is the dealer manager for these other offerings. We will compete for investors with these other programs, and the overlap of these offerings with our offering could adversely affect our ability to raise all the capital we seek in this offering, the timing of sales of our shares and the amount of proceeds we have to spend on real estate investments.

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Management

The following disclosure is added as the second paragraph of the section of the Prospectus entitled Management General on page 49 of the Prospectus.

Our promoters are Nicholas S. Schorsch, William M. Kahane, Peter M. Budko, Brian S. Block and Edward M. Weil, Jr., who are each officers and/or members of our board.

The following language replaces the disclosure under the heading Management Executive Officers and Directors on pages 51 55 of the Prospectus

We have provided below certain information about our executive officers and directors, all of whom, other than the Independent Directors, are employees only of American Realty Capital Advisors, LLC and not of any other of the affiliates.

Name	Age	Position(s)
Nicholas S. Schorsch	50	Chairman of the Board of Directors and Chief Executive Officer
William M. Kahane	62	President, Chief Operating Officer, Treasurer and Director
Peter M. Budko	51	Executive Vice President and Chief Investment Officer
Brian S. Block	39	Executive Vice President and Chief Financial Officer
Edward M. Weil, Jr.	43	Executive Vice President and Secretary
Leslie D. Michelson	59	Independent Director
William G. Stanley	55	Independent Director
Robert H. Burns	81	Independent Director

Nicholas S. Schorsch has served as the chairman of the board and chief executive officer of our company since our formation. He also has been the chief executive officer of American Realty Capital Properties, LLC, and American Realty Capital Advisors, LLC since its formation. Since October 2009, Mr. Schorsch has also served as Chairman of the Board and Chief Executive Officer of Recovery REIT and Chief Executive Officer of the property manager and advisor of Recovery REIT. Mr. Schorsch has been the chairman and chief executive officer of ARC RCA and chief executive officer of the ARC RCA s advisor since their formation in July and May 2010, respectively. Mr. Schorsch has been the chairman and chief executive officer of ARC HT and chief executive office of the ARC HT s advisor and property manager since their formation in August 2010. Mr. Schorsch has been chairman and the chief executive officer of Business Development Corporation since its formation in May 2010. Mr. Schorsch has been the chairman and chief executive officer of ARCT II and the chief executive officer of the advisor and property manager of ARCT II since their formation in September 2010. Mr. Schorsch has also been the president and director of ARC Northcliffe Income Properties, Inc., or ARC Northcliffe, and the president of ARC Northcliffe s advisor and property manager since their formation in September 2010. Mr. Schorsch also has been the chairman and chief executive officer of American Realty Capital Properties, Inc., or ARCP, since its formation in December 2010, and chairman and chief executive officer of its advisor since its formation in November 2010. Mr. Schorsch also has been the chairman and chief executive officer of American Realty Capital Trust, III, Inc., or ARCT III, and the chief executive officer of the advisor and property manager of ARCT III since their formation in October 2010. Prior to his current position with our company, from September 2006 to July 2007, Mr. Schorsch was chief executive officer of an affiliate, American Realty Capital, a real estate investment firm. Mr. Schorsch founded and formerly served as president, chief executive officer and vice-chairman of American Financial Realty Trust, or AFRT, since its inception as a REIT in September 2002 until August 2006. AFRT was a publicly traded REIT (which was listed on the NYSE within one year of its inception) that invested exclusively in offices, operation centers, bank branches, and other operating real estate assets that are net leased to tenants in the financial services industry, such as banks and insurance companies. Through American Financial Resource Group, or AFRG, and its successor corporation, AFRT, Mr. Schorsch executed in excess of 1,000 acquisitions, both in acquiring businesses and real estate property with an aggregate purchase price of acquired properties of approximately $5 billion. In 2003, Mr. Schorsch received an Entrepreneur of the Year award from Ernst & Young. From 1995 to September 2002, Mr. Schorsch served as chief executive officer and president of AFRG, AFRT s predecessor, a private equity firm founded for the purpose of acquiring operating companies and other assets in a number of industries. Prior to AFRG, Mr. Schorsch served as president of a non-ferrous metal product manufacturing business, Thermal Reduction. From approximately 1990 until the sale of his interests in Thermal Reduction in 1994, Mr. Schorsch was involved in purchasing and leasing several commercial real estate properties in connection with the growth of Thermal Reduction s business. He successfully built the business through mergers and acquisitions and ultimately sold his interests to Corrpro (NYSE) in 1994. Mr. Schorsch attended Drexel University. We believe that Mr. Schorsch s current experience as chairman and chief executive officer of ARCT II, Recovery REIT, ARC RCA, ARC HT, ARCT III and ARCP, his experience as president and a director of ARC Northcliffe, his previous experience as president, chief executive officer and vice chairman of AFRT, and his significant real estate acquisition experience make him well qualified to serve as our chairman of the board.

William M. Kahane has served as president, chief operating officer, treasurer and director of our company since its formation. He has been active in the structuring and financial management of commercial real estate investments for over 25 years. He is also president, chief operating officer and treasurer of American Realty Capital Properties, LLC and American Realty Capital Advisors, LLC. Since October 2009, Mr. Kahane has also served as the president, chief operating officer, treasurer and director of Recovery REIT and president, chief operating officer and treasurer of both the property manager and advisor of Recovery REIT since their formation in November 2009. Mr. Kahane has been the director of PEARC since its formation in October 2009 and the president, chief operating officer and treasurer of the PEARC advisor since their formation in December 2009. Mr. Kahane has been a director and the president and chief operating officer of ARC RCA since its formation in July 2010. Mr. Kahane has been the president and chief operating officer of ARC RCA s advisor since its formation in May 2010. Mr. Kahane has been a director and the president and treasurer of ARC HT since its formation in August 2010. Mr. Kahane has been the president and chief operating officer of ARC HT s advisor and property manager since their formation in August 2010.

Mr. Kahane has been the director, president and chief operating officer of Business Development Corporation since its formation in May 2010. Mr. Kahane has been a director and the president and treasurer of ARCT II since its formation in September 2010. Mr. Kahane has been the president and treasurer of the advisor and property manager for ARCT II since their formation in September 2010. Mr. Kahane has served as president, chief operating officer and treasurer of ARCT III since its formation in October 2010. He has also served as president, chief operating officer and treasurer of the property manager and advisor of ARCT III since their formation in October 2010. Mr. Kahane has been the chief operating officer of ARC Northcliffe since its formation in September 2010. Mr. Kahane also has been the president, chief operating officer and a director of ARCP since its formation in December 2010 and president and chief operating officer of its advisor since its formation in November 2010. Mr. Kahane began his career as a real estate lawyer practicing in the public and private sectors from 1974 1979. From 1981 1992, Mr. Kahane worked at Morgan Stanley & Co., specializing in real estate, becoming a Managing Director in 1989. In 1992, Mr. Kahane left Morgan Stanley to establish a real estate advisory and asset sales business known as Milestone Partners which continues to operate and of which Mr. Kahane is currently the Chairman. Mr. Kahane worked very closely with Mr. Schorsch while a trustee at AFRT (2003 to 2006), during which time Mr. Kahane served as Chairman of the Finance Committee of the Board of Trustees. Mr. Kahane has been a Managing Director of GF Capital Management & Advisors LLC, a New York-based merchant banking firm, where he directs the firm s real estate investments since 2001. GF Capital offers comprehensive wealth management services through its subsidiary TAG Associates LLC, a leading multi-client family office and portfolio management services company with approximately $5 billion of assets under management. Mr. Kahane also was on the Board of Directors of Catellus Development Corp., an NYSE growth-oriented real estate development company, where he served as Chairman. Mr. Kahane received a B.A. from Occidental College, a J.D. from the University of California, Los Angeles Law School and an M.B.A. from Stanford University s Graduate School of Business. We believe that Mr. Kahane s current experience as a director of Recovery REIT, PEARC, ARC RCA, ARC HT and ARCT II, his prior experience as chairman of the board of Catellus Development Corp. and his significant investment banking experience in real estate make him well qualified to serve as a member of our Board of Directors.

Peter M. Budko has served as Executive Vice President and Chief Investment Officer of our company since its formation. He also is executive vice president and chief investment officer of American Realty Capital Advisors, LLC, American Realty Capital Properties, LLC and Realty Capital Securities, LLC. Since October 2009, Mr. Budko has also served as Executive Vice President & Chief Operating Officer of Recovery

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REIT and Executive Vice President of both the property manager and advisor of Recovery REIT. Mr. Budko has served as executive vice president and chief investment officer of ARC RCA since its formation in July 2010. Mr. Budko has served as executive vice president and chief investment officer of ARC RCA s advisor since its formation in May 2010. Mr. Budko has served as executive vice president and chief investment officer of ARC HT since its formation in August 2010. Mr. Budko has served as executive vice president and chief investment officer of ARC HT s advisor and property manager since their formation in August 2010. Mr. Budko has served as executive vice president and the chief investment officer of Business Development Corporation since its formation in May 2010. Mr. Budko has served as executive vice president and chief investment officer of ARCT II since its formation in September 2010. Mr. Budko has served as executive vice president and chief investment officer of the advisor and property manager for ARCT II since their formation in September 2010. Mr. Budko has served as executive vice president and chief investment officer of ARCT III since its formation in October 2010. He has also served as executive vice president and chief investment officer of the property manager and advisor of ARCT III since their formation in October 2010. Mr. Budko also has been executive vice president and chief investment officer of ARCP since its formation in December 2010 and executive vice president and chief investment officer of its advisor since its formation in November 2010. From January 2007 to July 2007, Mr. Budko was Chief Operating Officer of an affiliated American Realty Capital real estate investment firm. Mr. Budko founded and formerly served as Managing Director and Group Head of the Structured Asset Finance Group, a division of Wachovia Capital Markets, LLC from 1997 2006. The Structured Asset Finance Group structures and invests in real estate that is net leased to corporate tenants. While at Wachovia, Mr. Budko acquired over $5 billion of net leased real estate assets. From 1987 1997, Mr. Budko worked in the Corporate Real Estate Finance Group at NationsBank Capital Market (predecessor to Bank of America Securities) becoming head of the group in 1990. Mr. Budko received a B.A. in physics from the University of North Carolina.

Brian S. Block has served as Executive Vice President and Chief Financial Officer since September 2007. He is also Executive Vice President and Chief Financial Officer of American Realty Capital, LLC and American Realty Capital Properties, LLC. Since October 2009, Mr. Block has also served as Executive Vice President & Chief Financial Officer of Recovery REIT, Inc. and of both the property manager and advisor of Recovery REIT, Inc. Mr. Block has served as executive vice president and chief financial officer of ARC RCA since its formation in July 2010. Mr. Block has served as executive vice president and chief financial officer of ARC RCA s advisor since its formation in May 2010. Mr. Block has served as executive vice president and chief financial officer of ARC HT since its formation in August 2010. Mr. Block has served as executive vice president and chief financial officer of ARC HT s advisor and property manager since their formation in August 2010. Mr. Block has served as executive vice president and the chief financial officer of Business Development Corporation since its formation in May 2010. Mr. Block has served as executive vice president and chief financial officer of ARCT II since its formation in September 2010. Mr. Block has served as executive vice president and chief financial officer of the advisor and property manager for ARCT II since their formation in September 2010. Mr. Block has served as executive vice president and chief financial officer of ARCT III since its formation in October 2010. He has also served as Executive Vice President and Chief Financial Officer of the property manager and advisor of ARCT III since their formation in October 2010. Mr. Block has been the Chief Financial Officer of ARC Northcliffe since its formation in September 2010. Mr. Block also has been executive vice president and chief financial officer of ARCP since its formation in December 2010 and executive vice president and chief financial officer of its advisor since its formation in November 2010. Mr. Block is responsible for the accounting, finance and reporting functions at ARC. He has extensive experience in SEC reporting requirements as well as REIT tax compliance matters. Mr. Block has been instrumental in developing ARC s infrastructure and positioning the organization for growth. Mr. Block began his career in public accounting at Ernst & Young and Arthur Andersen from 1994 to 2000. Subsequently, Mr. Block was the Chief Financial Officer of a venture capital-backed technology company for several years prior to joining AFRT in 2002. While at AFRT, Mr. Block served as Chief Accounting Officer from 2003 to 2007 and oversaw the financial, administrative and reporting functions of the organization. He is a certified public accountant and is a member of the AICPA and PICPA. Mr. Block serves on the

REIT Committee of the Investment Program Association. Mr. Block received a B.S. from Albright College and an M.B.A. from LaSalle University.

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Edward M. Weil, Jr. has served as our Executive Vice President and Secretary since May 2007. He is also executive vice president and secretary of American Realty Capital Advisors, LLC and American Realty Capital Properties, LLC. Since October 2009, Mr. Weil has also served as Executive Vice President and Secretary of Recovery REIT and of both the property manager and advisor of Recovery REIT. Mr. Weil has served as executive vice president and secretary of ARC RCA since its formation in July 2010. Mr. Weil has served as executive vice president and secretary of ARC RCA s advisor since its formation in May 2010. Mr. Weil has served as executive vice president and secretary of ARC HT since its formation in August 2010. Mr. Weil has served as executive vice president and secretary of ARC HT s advisor and property manager since their formation in August 2010. Mr. Weil has served as executive vice president and secretary of ARCT II since its formation in September 2010. Mr. Weil has served as executive vice president and secretary of the advisor and property manager for ARCT II since their formation in September 2010. Mr. Weil has served as executive vice president and secretary of ARCT III since its formation in October 2010. He has also served as executive vice president and secretary of the property manager and advisor of ARCT III since their formation in October 2010. Weil also has been executive vice president and secretary of ARCP since its formation in December 2010 and executive vice president and secretary of its advisor since its formation in November 2010. Mr. Weil has been the Chief Executive Officer of Realty Capital Securities, LLC since December 2010. Mr. Weil was formerly the Senior Vice President of Sales and Leasing for American Financial Realty Trust (AFRT, from April 2004 to October 2006), where he was responsible for the disposition and leasing activity for a 33 million-square foot portfolio. Under the direction of Mr. Weil, his department was the sole contributor in the increase of occupancy and portfolio revenue through the sales of over 200 properties and the leasing of over 2.2 million square feet, averaging 325,000 square feet of newly executed leases per quarter. After working at AFRT, from October 2006 to May 2007, Mr. Weil was managing director of Milestone Partners Limited and prior to joining AFRT, from 1987 to April 2004, Mr. Weil was president of Plymouth Pump & Systems Co. Mr. Weil attended George Washington University.

Leslie D. Michelson was appointed as an Independent Director of our company on January 22, 2008. He was also appointed as an Independent Director of Recovery REIT on October 28, 2009. Mr. Michelson has served as the Chairman and Chief Executive Officer of Private Health Management, a retainer-based primary care medical practice management company since April 2007. Mr. Michelson served as Vice Chairman and Chief Executive Officer of the Prostate Cancer Foundation, the world s largest private source of prostate cancer research funding, from April 2002 until December 2006 and currently serves on its Board of Directors. Mr. Michelson served on the Board of Directors of Catellus Development Corp. (a publicly traded national mixed-use and retail developer) from 1997 until 2004 when the company was sold to ProLogis. Mr. Michelson was a member of the Audit Committee of the Board of Directors for 5 years. From April 2001 to April 2002, he was an investor in, and served as an advisor or director of, a portfolio of entrepreneurial healthcare, technology and real estate companies. From March 2000 to August 2001, he served as Chief Executive Officer and as a director of Acurian, Inc., an Internet company that accelerates clinical trials for new prescription drugs. From 1999 to March 2000, Mr. Michelson served as an advisor of Saybrook Capital, LLC, an investment bank specializing in the real estate and health care industries. From June 1998 to February 1999, Mr. Michelson served as Chairman and Co-Chief Executive Officer of Protocare, Inc., a manager of clinical trials for the pharmaceutical industry and disease management firm. From 1988 to 1998, he served as Chairman and Chief Executive Officer of Value Health Sciences, Inc., an applied health services research firm he co-founded. Since June 2004 and through the present, he has been and is a director of Nastech Pharmaceutical Company Inc., a NASDAQ-traded biotechnology company focused on innovative drug delivery technology, Highlands Acquisition Company, a AMEX-traded special purpose acquisition company, and Landmark Imaging, a privately held imaging center. Also since June 2004 and through the present, he has been and is a Director of ALS-TDI, a philanthropy dedicated to curing Amyotrophic Lateral Sclerosis (ALS), commonly known as Lou Gehrig s disease. Mr. Michelson received his BA from The Johns Hopkins University in 1973 and a J.D. from Yale Law School in 1976. We believe that Mr. Michelson s current role as a member of the board of directors of Recovery REIT, his previous experience as a member of the Board of Directors of Catellus Development Corp., an NYSE growth-oriented real estate development company, where he served as a member of the Audit Committee and his legal education make him well qualified to serve as a member of our Board of Directors.

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William G. Stanley was appointed as an Independent Director of our company on January 22, 2008. He was also appointed as an Independent Director of Recovery REIT on October 28, 2009. Mr. Stanley is the founder and managing member of Stanley Laman Securities, LLC (SLS), a FINRA member broker-dealer, since 2004, and the founder and president of The Stanley-Laman Group, Ltd (SLG), a registered investment advisor for high net worth clients since 1997. SLG has built a multi-member staff which critically and extensively studies the research of the world s leading economists and technical analysts to support its tactical approach to portfolio management. Over its history, SLG and SLS have assembled a unique and impressive array of intellectual property in the investment, estate, tax and business planning arenas and boasts a portfolio management returns that rivals or exceeds top global managers. Additionally SLG counts some of the countries wealthiest and most successful business owners and entrepreneurs as its clients. Mr. Stanley has been Managing Member of Stanley Laman Securities, LLC from 2004 to the present and President of the Stanley-Laman Group, Ltd. Mr. Stanley has earned designations as a Chartered Financial Consultant, Chartered Life Underwriter, and received his Masters of Financial Sciences from the American College in 1997. From 1977 to 1979, Mr. Stanley served as a District Field Representative at General Electric Capital. From 1979 to 1986, Mr. Stanley was a Senior Vice President at Capital Analysts (CA) of Radnor, Pennsylvania, a national investment advisory firm. From 1986 to 1991, Mr. Stanley was Senior Vice President at First Capital Analysts (CA Affiliate). Stanley s practice within CA was to serve the ultra high net worth private business owners and investors and specialized in bringing creative investment and planning trends to his clients. In the early 1980 s Mr. Stanley identified the emergence of cable television, real estate syndications, equipment leasing, mutual funds, and high yield bonds as investment trends. Mr. Stanley rose quickly within CA and became a national production leader. At 30, he chaired the CA National Field Advisory Board. As the Chair of that Board, Mr. Stanley brought the interest in technology and creativity that was forged at GE to CA. CA employed teams consisting of lawyers, accountants and other financial specialists to support their integrated approach to investment and tax planning. We believe that Mr. Stanley s significant background in finance as well as his current role as a member of the board of directors of Recovery REIT make him well qualified to serve on our Board of Directors.

Robert H. Burns was appointed as an Independent Director of our company on January 22, 2008. He was also appointed as an Independent Director of Recovery REIT on October 28, 2009 and an Independent Director of ARCT III in January 2011. Mr. Burns is a hotel industry veteran with an international reputation and over thirty years of hotel, real estate, food and beverage and retail experience. Mr. Burns founded and built the luxurious Regent International Hotels brand, which he sold in 1992.

From 1970 to 1992, Mr. Burns served as chairman and chief executive officer of Regent International Hotels, where he was personally involved in all strategic and major operating decisions. In this connection, Mr. Burns and his team of professionals performed site selection, obtained land use and zoning approvals, performed all property due diligence, financed each project by raising both equity and arranging debt, oversaw planning, design and construction of each hotel property, and managed each asset. Each Regent hotel typically contained a significant food and beverage element and high-end retail component, frequently including luxury goods such as clothing, jewelry, and well as retail shops. In fact, Mr. Burns is extremely familiar with the retail landscape as his flagship hotel in Hong Kong was part of a mixed-use complex anchored by a major enclosed shopping center connected to the Regent Hong Kong. Thus, Mr. Burns has over forty (40) years as a manager and principal acquiring, financing, developing and operating properties.

Mr. Burns opened the first Regent hotel in Honolulu, Hawaii, in 1970. From 1970 to 1979, the company opened and managed a number of prominent hotels, but gained truly international recognition in 1980 with the opening of The Regent Hong Kong, which brought a new dimension in amenities and service to hotels in the city and attracted attention throughout the world. It was in this way that the hotel innovatively combined the Eastern standard of service excellence with the Western standard of luxurious spaces. In all, Mr. Burns developed over 18 major hotel projects including the Four Seasons Hotel in New York City, the Beverly Wilshire Hotel in Beverly Hills, the Four Seasons Hotel in Milan, Italy, and the Four Seasons Hotel in Bali, Indonesia.

Mr. Burns currently serves as Chairman of Barings Chrysalis Emerging Markets Fund (since 1991) and as a director of Barings Asia Pacific Fund (since 1986). Additionally, he is a member of the executive committee of the board of directors of Jazz at Lincoln Center in New York City (since 2000), and chairs the

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Robert H. Burns Foundation which he founded in 1992 and which funds the education of Asian students at American schools. Mr. Burns frequently lectures at Stanford Business School.

Mr. Burns was chairman and co-founder of the World Travel and Tourism Council (1994 to 1996), a forum for business leaders in the travel and tourism industry. With Chief Executives of some one hundred of the world s leading travel and tourism companies as its members, WTTC has a unique mandate and overview on all matters related to travel and tourism. He served as a faculty member at the University of Hawaii (1963 to 1994) and as president of the Hawaii Hotel Association (1968 to 1970).

Mr. Burns began his career in Sheraton s Executive Training Program in 1958, and advanced rapidly within Sheraton and then within Westin Hotels (1962 to 1963). He later spent eight years with Hilton International Hotels (1963 to 1970).

Mr. Burns graduated from the School of Hotel Management at Michigan State University (1958), and the University of Michigan s Graduate School of Business (1960), after serving three years in the U.S. Army in Korea. For the past 5 years Mr. Burns has devoted his time to owning and operating Villa Feltrinelli on Lago di Garda, in Northern Italy, a small, luxury hotel, and working on developing hotel projects in Asia, focusing on Vietnam and China. We believe that Mr. Burns experience as a real estate developer for over forty (40) years, during which he developed over eighteen (18) major hotel projects, make him well qualified to serve as a member of our Board of Directors.

The following language replaces the disclosure under the heading Management Compensation of Directors on page 55 of the Prospectus.

We pay to each of our independent directors a retainer of $30,000 per year, plus $2,000 for each board or board committee meeting the director attends in person ($2,500 for attendance by the chairperson of the audit committee at each meeting of the audit committee) and $1,500 for each meeting the director attends by telephone and $750 for each transaction reviewed and voted upon with a maximum of $2,250 for three or more transactions reviewed and voted upon per meeting. In the event there is a meeting of the board and one or more committees in a single day, the fees will be limited to $2,500 per day ($3,000 for the chairperson of the audit committee if there is a meeting of such committee). Our board of directors also may approve the acquisition of real property and other related investments valued at $10,000,000 or less via electronic board meetings whereby the directors cast their votes in favor or against a proposed acquisition via email.

In addition, pursuant to our stock option plan adopted in January 2008, we have reserved 1,000,000 shares of common stock for future issuance upon the exercise of stock options that may be granted to our independent directors pursuant to our stock option plan (described below). Such stock options will have an exercise price equal to $10.00 per share during such time as we are offering shares to the public at $10.00 per share and thereafter at 100% of the then-current fair market value per share. The total number of options granted will not exceed 10% of the total outstanding shares of common stock at the time of grant. To date, we have granted each of our independent directors options to purchase 9,000 shares of common stock. Such options have an exercise price equal to $10.00 per share and vest after two years from the date of grant.

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Additionally, our employee and director incentive restricted share plan, adopted in January, 2010, provides for the automatic grant of 3,000 restricted shares of common stock to each of our independent directors, without any further action by our board of directors or the stockholders on the date of initial election to the board and on the date of each annual stockholders meeting. Each of our independent directors received a grant of 3,000 restricted shares of common stock on the date of the 2010 annual stockholders meeting. All directors receive reimbursement of reasonable out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. If a director also is an employee of American Realty Capital Trust, Inc. or American Realty Capital Advisors, LLC or their affiliates, we do not pay compensation for services rendered as a director.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	Restricted Shares
Independent Directors[(2)]	$30,000 yearly retainer; $2,000 for all meetings personally attended by the directors and $1,500 for each meeting attended via telephone; $750 per transaction reviewed and voted upon via electronic board meeting up to a maximum of $2,250 for three or more transactions reviewed and voted upon per meeting.[(1)]	1,000,000 shares of common stock reserved for future issuance upon the exercise of stock options that may be granted to independent directors pursuant to stock option plan. Such stock options will have an exercise price equal to $10.00 per share during such time as we are offering shares to the public at $10.00 per share and thereafter at 100% of the then-current fair market value per share. The total number of options granted will not exceed 10% of the total outstanding shares of common stock at the time of grant. To date, we have granted each of our independent directors options to purchase 9,000 shares of common stock. Such options have an exercise price equal to $10.00 per share and vest after two years from the date of grant.	Pursuant to our restricted share plan adopted in January 2010, each independent director will receive an automatic grant of 3,000 restricted shares on the initial date of election to the board and on the date of each annual stockholders meeting. Accordingly, we granted each of our independent directors 3,000 restricted shares of common stock on the date of the 2010 annual stockholders meeting. The restricted shares vest over a five year period following the first anniversary of the May 17, 2010 grant date in increments of 20% per annum.

(1) If there is a board meeting and one or more committee meetings in one day, the director s fees shall not exceed $2,500 ($3,000 for the chairperson of the audit committee if there is a meeting of such committee).

(2)

An independent director who is also an audit committee chairperson will receive an additional $500 for personal attendance of all audit committee meetings.

The following language replaces the disclosure under the heading Management The Advisor on page 60 of the Prospectus.

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Our advisor is American Realty Capital Advisors, LLC. Our officers and two of our directors also are officers, key personnel and/or members of American Realty Capital Advisors, LLC. American Realty Capital Advisors, LLC has contractual responsibility to us and our stockholders pursuant to the advisory agreement. American Realty Capital Advisors, LLC is indirectly wholly-owned and controlled by Messrs. Schorsch and Kahane and certain other executives.

The officers and key personnel of our advisor are as follows:

Name	Age	Position(s)
Nicholas S. Schorsch	50	Chief Executive Officer
William M. Kahane	62	President, Chief Operating Officer and Treasurer
Peter M. Budko	51	Executive Vice President and Chief Investment Officer
Brian S. Block	39	Executive Vice President and Chief Financial Officer
Edward M. Weil, Jr.	43	Executive Vice President and Secretary
Louisa Quarto	43	Senior Vice President

The backgrounds of Messrs. Schorsch, Kahane, Budko, Block and Weil are described in the Management Executive Officers and Directors section of this prospectus. The background of Ms Quarto is described in the Management Affiliated Companies Dealer Manager section of this prospectus.

Affiliates of our advisor have sponsored and may sponsor one or more other real estate investment programs in the future. For a description of some of the risks related to these conflicts of interest, see the section of this prospectus captioned Risk Factors Risks Related to Conflicts of Interest.

The officers and key personnel of American Realty Capital Advisors, LLC may spend a portion of their time on activities unrelated to us. Each of the officers and key personnel, including Messrs. Schorsch and Kahane, is currently expected to spend a significant portion of their time on our behalf but may not always spend a majority of their time on our behalf.

In addition to the key personnel listed above, American Realty Capital Advisors, LLC employs personnel who have extensive experience in selecting and managing commercial properties similar to the properties sought to be acquired by us. As of the date of this prospectus our advisor is the sole limited partner of American Realty Capital Operating Partnership, L.P.

The following language replaces the first four paragraphs under the heading Management Affiliated Companies Dealer Manager beginning on page 64 of the Prospectus.

Realty Capital Securities, LLC (CRD #145454), our dealer manager, is a member firm of FINRA. Our dealer manager was organized on August 29, 2007 for the purpose of participating in and facilitating the distribution of securities of real estate programs sponsored by American Realty Capital, its affiliates and its predecessors.

Our dealer manager provides certain wholesaling, sales, promotional and marketing assistance services to us in connection with the distribution of the shares offered pursuant to this prospectus. It also may sell a limited number of shares at the retail level. The compensation we will pay to our dealer manager in connection with this offering is described in the section of this prospectus captioned Management Compensation. See also Plan of Distribution Dealer Manager and Compensation We Will Pay for the Sale of Our Shares. Our dealer manager also serves as dealer manager for Recovery REIT, PEARC, ARC RCA, ARC HT, ARCT II, ARC Northcliffe, ARCT III, United Development Funding IV and ARCP.

Our dealer manager is a wholly owned subsidiary of American Realty Capital II, LLC. Accordingly, our dealer manager is indirectly majority-owned and controlled by Messrs. Schorsch and Kahane. Our dealer manager is an affiliate of both our advisor and the property manager. See the section entitled Conflicts of Interest in this prospectus.

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The current officers of Realty Capital Securities, LLC are:

Name	Age	Position(s)
Edward M. Weil, Jr.	43	Chief Executive Officer
Louisa Quarto	43	President
Kamal Jafarnia	44	Executive Vice President and Chief Compliance Officer
Alex MacGillivray	49	Senior Vice President and National Sales Manager

The background of Mr. Weil is described in the Management Executive Officers and Directors section of this prospectus and the backgrounds of Ms. Quarto and Messrs. Jafarnia and MacGillivray are described below:

Management Compensation

The following language replaces the disclosure under the heading Management Compensation on pages 69 76 of the Prospectus.

We have no paid employees. American Realty Capital Advisors, LLC, our advisor, and its affiliates manages our day-to-day affairs. The following table summarizes all of the compensation and fees we pay to American Realty Capital Advisors, LLC and its affiliates, including amounts to reimburse their costs in providing services. The selling commissions may vary for different categories of purchasers. See Plan of Distribution. This table assumes the shares are sold through distribution channels associated with the highest possible selling commissions and dealer manager fee. No effect is given to any shares sold through our distribution reinvestment plan.

Type of Compensation(1)	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/Maximum Offering (150,000,000 shares)(2)
	Offering Stage	
Selling Commissions Realty Capital Securities, LLC(3)	We will pay to Realty Capital Securities, LLC 7% of the gross offering proceeds before reallowance of commissions earned by participating broker-dealers, except that no selling commission is payable on shares sold under our distribution reinvestment plan. Realty Capital Securities, LLC, our dealer manager, will reallow 100% of commissions earned to participating broker-dealers.	$43,817,000/ $105,000,000
Dealer Manager Fee Realty Capital Securities, LLC(3)	We will pay to Realty Capital Securities, LLC 3% of the gross offering proceeds before reallowance to participating broker-dealers, except that no dealer manager fee is payable on shares sold under our distribution reinvestment plan. Realty Capital Securities, LLC may reallow all or a	$21,478,000/ $45,000,000

portion of its dealer manager fee to participating broker-dealers. See Plan of Distribution.

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Type of Compensation[1]	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/Maximum Offering (150,000,000 shares)[2]
Reimbursement of Other Organization and Offering Expenses American Realty Capital Advisors, LLC[4]	We will reimburse American Realty Capital Advisors, LLC up to 1.5% of our gross offering proceeds. American Realty Capital Advisors, LLC will incur or pay our organization and offering expenses (excluding selling commissions and the dealer manager fee). We will then reimburse American Realty Capital Advisors, LLC for these amounts up to 1.5% of aggregate gross offering proceeds.	$21,392,000/ $22,500,000
	Acquisition and Operations Stage	
Acquisition Fees American Realty Capital Advisors, LLC[5][6]	We will pay to American Realty Capital Advisors, LLC 1% of the contract purchase price of each property or asset. We will reimburse our advisor for acquisition expenses (including, personnel costs) incurred in the process of acquiring property. We expect these expenses to be approximately 0.5% of the purchase price of each property[8]. In no event will the total of all fees and acquisition expenses payable with respect to a particular property or investment exceed 4% of the contract purchase price.	$10,127,000/ $13,275,000
Acquisition Expenses American Realty Capital Advisors, LLC[7]		$5,813,000/ $6,000,000
Asset Management Fee American Realty Capital Advisors, LLC[11]	We will pay to American Realty Capital Advisors, LLC a yearly fee equal to 1% of the contract purchase price of all the properties payable semiannually based on assets held by us on the measurement date, adjusted for appropriate closing dates for individual property acquisitions.	Actual amounts are dependent upon the aggregate asset value of our properties and, therefore, cannot be determined at the present time. Because the fee is based on a fixed percentage of aggregate asset value there is no limit on the aggregate amount of these fees.

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Type of Compensation[1]	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/Maximum Offering (150,000,000 shares)[2]
Property Management Fees American Realty Capital Properties, LLC[12][18]	We will pay to American Realty Capital Properties, LLC (a) 2% of the gross revenues from our single tenant properties and (b) 4% of the gross revenues from our multi-tenant properties, plus reimbursement of American Realty Capital Properties, LLC costs of managing the properties. In the event that American Realty Capital Properties, LLC assists a tenant with tenant improvements, a separate fee may be charged to, and payable by, us. This fee will not exceed 5% of the cost of the tenant improvements	Actual amounts are dependent upon the gross revenues from properties and, therefore, cannot be determined at the present time. Because the fee is based on a fixed percentage of the gross revenue and/or market rates, there is no limit on the aggregate amount of these fees.
Leasing Commissions American Realty Capital Properties, LLC[13][18]	We will pay to American Realty Capital Properties, LLC prevailing market rates. American Realty Capital Properties, LLC may also receive a fee for the initial leasing of newly constructed properties, which generally would equal one month s rent.	Actual amounts are dependent upon prevailing market rates in the geographic regions in which we acquire property and, therefore, cannot be determined at the present time. There is no limit on the aggregate amount of these commissions.
Financing Coordination Fee American Realty Capital Advisors, LLC[7]	For services in connection with the origination or refinancing of any debt financing we obtain and use to acquire properties or to make other permitted investments, or that is assumed, directly or indirectly, in connection with the acquisition of properties, we will pay our advisor a financing coordination fee equal to 1% of the amount available and/or outstanding under such financing; provided, however, that our advisor will not be entitled to a financing coordination fee in connection with the refinancing of any loan secured by any particular property that was previously subject to a refinancing in which our advisor received such a fee. Financing coordination fees payable from loan proceeds from permanent financing will be paid to our advisor as we acquire and/or assume such	$5,195,000/Because the fee is based on a fixed percentage of any debt financing, there is no limit on the aggregate amount of these fees.

permanent financing. However, no acquisition fees will be paid on the investments of loan proceeds from any line of credit until such time as we have invested all net offering proceeds.

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Type of Compensation[1]	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/Maximum Offering (150,000,000 shares)[2]
Restricted Stock Awards	We have established an employee and director incentive restricted share plan pursuant to which our directors, officers and employees (if we ever have employees), employees of our advisor and its affiliates, employees of entities that provide services to us, directors of our advisor or of entities that provide services to us, certain of our consultants and certain consultants to our advisor and its affiliates or entities that provide services to us may be granted incentive awards in the form of restricted stock. On September 13, 2010, our advisor granted 934,159 restricted shares of common stock to Nicholas S. Schorsch, chief executive officer of our advisor, 212,370 restricted shares of common stock to William M. Kahane, president and chief operations officer of our advisor, 160,604 restricted shares of common stock to Peter M. Budko, executive vice president chief investment officer of our advisor, 55,270 restricted shares of common stock to Edward M. Weil, Jr., executive vice president and secretary of our advisor and 37,597 restricted shares of common stock to Brian S. Block, executive vice president and chief financial officer of our advisor. Fifty percent of the restricted shares vest over a four year period commencing with the one year anniversary of the September 13, 2010 grant date and 50% vest only to the extent our net asset value plus the distributions paid to stockholders equals 106% of the original selling price of our common stock.	Restricted stock awards under our employee and director incentive restricted share plan may not exceed 5.0% of our outstanding shares on a fully diluted basis at any time, and in any event will not exceed 7,500,000 shares (as such number may be adjusted for stock splits, stock dividends, combinations and similar events).

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Type of Compensation[1]	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/Maximum Offering (150,000,000 shares)[2]
Compensation and Restricted Stock Awards to Independent Directors	We pay to each of our independent directors a retainer of $30,000 per year, plus $2,000 for each board or board committee meeting the director attends in person ($2,500 for attendance by the chairperson of the audit committee at each meeting of the audit committee) and $1,500 for each meeting the director attends by telephone and $750 per transaction reviewed and voted upon via electronic board meeting up to a maximum of $2,250 for three or more transactions reviewed and voted upon per meeting. If there is a meeting of the board and one or more committees in a single day, the fees will be limited to $2,500 per day ($3,000 for the chairperson of the audit committee if there is a meeting of such committee).[8][9]	The independent directors, as a group, will receive for a full fiscal year: (i) estimated aggregate compensation of approximately $120,000 and (ii) 9,000 restricted shares of common stock.
Operating Expenses American Realty Capital Advisors, LLC[13]	We will reimburse the expenses incurred by American Realty Capital Advisors, LLC in connection with its provision of administrative services, including related personnel costs, subject to the limitation that we will not reimburse our advisor for any amount by which the operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (a) 2% of average invested assets, or (b) 25% of net income other than any additions to reserves for depreciation, bad debt or other similar non-cash reserves and excluding any gain from the sale of assets for that period.	Actual amounts are dependent upon the expenses incurred and, therefore, cannot be determined at the present time.
	Liquidation/Listing Stage	
Real Estate Commissions American Realty Capital Advisors, LLC or its Affiliates[14]	For substantial assistance in connection with the sale of properties, we will pay our advisor or its affiliates a brokerage commission paid on the sale of property, not to exceed the lesser of one-half of reasonable customary and competitive real estate commission or 3% of the contract price of each property sold (inclusive of commissions paid to third party brokers);	Actual amounts are dependent upon the contract price of properties sold and, therefore, cannot be determined at the present time. Because the commission is based on a fixed percentage of the contract price for a sold

	provided, however, in no event may the real estate commissions paid to our advisor, its affiliates and unaffiliated third parties exceed 6% of the contract sales price.	property, there is no limit on the aggregate amount of these commissions.

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Type of Compensation[1]	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/Maximum Offering (150,000,000 shares)[2]
Subordinated Participation in Net Sale Proceeds American Realty Capital II, LLC[16][17][19]	After investors have received a return of their capital contributions invested and a 6% annual cumulative, non-compounded return, then American Realty Capital II, LLC is entitled to receive 15% of remaining net sale proceeds. We cannot assure you that we will provide this 6% return, which we have disclosed solely as a measure for our advisor s and its affiliates incentive compensation. American Realty Capital II, LLC will not be entitled to the Subordinated Participation in Net Sale Proceeds unless our investors have received a 6% cumulative non-compounded return on their capital contributions.	Actual amounts are dependent upon results of operations and, therefore, cannot be determined at the present time. There is no limit on the aggregate amount of these payments
Subordinated Incentive Listing Fee American Realty Capital II, LLC[15][16][17][19]	Upon listing our common stock on the New York Stock Exchange or NASDAQ Stock Market, our advisor is entitled to a fee equal to 15% of the amount, if any, by which (a) the market value of our outstanding stock plus distributions paid by us prior to listing, exceeds (b) the sum of the total amount of capital raised from investors and the amount of cash flow necessary to generate an 6% annual cumulative, non-compounded return to investors. We have no intent to list our shares at this time. We cannot assure you that we will provide this 6% return, which we have disclosed solely as a measure for our advisor s and its affiliates incentive compensation. American Realty Capital II, LLC will not be entitled to the Subordinated Incentive Listing Fee unless our investors have received a 6% cumulative non-compounded return on their capital contributions	Actual amounts are dependent upon total equity and debt capital we raise and results of operations and, therefore, cannot be determined at the present time. There is no limit on the aggregate amount of this fee.

(1) We will pay all fees, commissions and expenses in cash, other than the subordinated participation in net sales proceeds and incentive listing fees with respect to which we may pay to American Realty Capital Advisors, LLC in cash, common stock, a promissory note or any combination of the foregoing, as we may determine in our discretion.

(2)

The estimated maximum dollar amounts are based on the sale of a maximum of 150,000,000 shares to the public at $10.00 per share and the sale of 25,000,000 shares at $9.50 per share pursuant to our distribution reinvestment plan. The dollar amount as of February 28, 2011 is based upon our sale of 74,854,000 shares to the public as of such date at a price of $10.00 per share. No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at $9.50 per share.

(3) Selling commissions and, in some cases, the dealer manager fee, will not be charged with regard to

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shares sold to or for the account of certain categories of purchasers. See Plan of Distribution. Selling commissions and the dealer manager fee will not be charged with regard to shares purchased pursuant to our distribution reinvestment plan.

(4) These organization and offering expenses include all expenses (other than selling commissions and the dealer manager fee) to be paid by us in connection with the offering, including our legal, accounting, printing, mailing and filing fees, charges of our escrow holder, due diligence expense reimbursements to participating broker-dealers and amounts to reimburse American Realty Capital Advisors, LLC for its portion of the salaries of the employees of its affiliates who provide services to our advisor and other costs in connection with administrative oversight of the offering and marketing process and preparing supplemental sales materials, holding educational conferences and attending retail seminars conducted by broker-dealers. Our advisor will be responsible for the payment of all such organization and offering expenses to the extent such expenses exceed 1.5% of the aggregate gross proceeds of this offering.

(5) This estimate assumes the amount of proceeds available for investment is equal to the gross offering proceeds less the public offering expenses, and we have assumed that no financing is used to acquire properties or other real estate assets. Our board s investment policies limit our ability to purchase property if the total of all acquisition fees and expenses relating to the purchase exceeds 4% of the contract purchase price unless a majority of our directors (including a majority of our independent directors) not otherwise interested in the transaction approve fees and expenses in excess of this limit and determine the transaction to be commercially competitive, fair and reasonable to us.

(6) Included in the computation of such fees will be any real estate commission, acquisition and advisory fee, development fee, construction fee, non-recurring management fee, loan fees, financing coordination fees or points or any fee of a similar nature, which in the aggregate will not exceed 6% of the sale price of such property or properties.

(7) Actual gross amounts determined on a leveraged basis are dependent upon the aggregate purchase price of our properties and, therefore, cannot be determined at the present time.

(8) An independent director who is also an audit committee chairperson will receive an additional $500 for personal attendance of all audit committee meetings.

(9) If there is a board meeting and one or more committee meetings in one day, the director s fees shall not exceed $2,500 ($3,000 for the chairperson of the audit committee if there is a meeting of such committee).

(10) Based on the Sponsors experience with the acquisitions completed by American Financial Realty Trust and our acquisitions completed to date, acquisition expenses are generally 0.5% of the purchase price of each property.

(11) Aggregate asset value will be equal to the aggregate value of our assets (other than investments in bank accounts, money markets funds or other current assets) at cost before deducting depreciation, bad debts or other similar non-cash reserves and without reduction for any debt relating to such assets at the date of measurement, except that during such periods in which our board of directors is determining on a regular basis the current value of our net assets for purposes of enabling fiduciaries of employee benefit plans stockholders to comply with applicable Department of Labor reporting requirements, aggregate asset value is the greater of (a) the amount determined pursuant to the foregoing or (b) our assets aggregate valuation most recently established by our board without reduction for depreciation, bad debts or other similar non-cash reserves and without reduction for any debt secured by or relating to such assets.

(12) The property management and leasing fees payable to American Realty Capital Properties, LLC are subject to the limitation that the aggregate of all property management and leasing fees paid to American Realty Capital Properties, LLC and its affiliates plus all payments to third parties for property management and leasing services may not exceed the amount that other non-affiliated property management and leasing companies generally charge for similar services in the same geographic location. Additionally, all property management and leasing fees, including both those paid to American Realty Capital Properties, LLC and third parties, are subject to the limit on total operating expenses as described on the following two pages. American Realty Capital Properties, LLC may subcontract its duties for a fee that may be less than the fee provided for in our property management

agreement with American Realty Capital Properties, LLC.

(13) We may reimburse our advisor in excess of that limit in the event that a majority of our independent directors determine, based on unusual and non-recurring factors, that a higher level of expense is justified. In such an event, we will send notice to each of our stockholders within 60 days after the end of the fiscal quarter for which such determination was made, along with an explanation of the factors our

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independent directors considered in making such determination. We will not reimburse our advisor for personnel costs in connection with services for which the advisor receives acquisition fees or real estate commissions.

We lease a portion of our office space from an affiliate of our advisor and share the space with other American Realty Capital-related entities. The amount we will pay under the lease will be determined on a monthly basis based upon on the allocation of the overall lease cost to the approximate percentage of time, size of the area that we utilize and other resources allocated to us.

(14) Although we are most likely to pay real estate commissions to American Realty Capital Advisors, LLC or an affiliate in the event of our liquidation, these fees may also be earned during our operational stage.

(15) Upon termination of the Advisory Agreement, American Realty Capital II, LLC may be entitled to a similar performance fee if American Realty Capital II, LLC would have been entitled to a subordinated participation in net sale proceeds had the portfolio been liquidated (based on an independent appraised value of the portfolio) on the date of termination. Under our charter, we could not increase these success-based fees without the approval of a majority of our independent directors, and any increase in the subordinated participation in net sale proceeds would have to be reasonable. Our charter provides that such incentive fee is presumptively reasonable if it does not exceed 15% of the balance of such net proceeds remaining after investors have received a return of their net capital contributions and an 6% per year cumulative, non-compounded return.

(16) If at any time the shares become listed on the New York Stock Exchange or NASDAQ Stock Market, we will negotiate in good faith with American Realty Capital II, LLC a fee structure appropriate for an entity with a perpetual life. Our independent directors must approve the new fee structure negotiated with American Realty Capital II, LLC. The market value of our outstanding stock will be calculated based on the average market value of the shares issued and outstanding at listing over the 30 trading days beginning 180 days after the shares are first listed or included for quotation. We have the option to pay the subordinated incentive listing fee in the form of stock, cash, a promissory note or any combination thereof. In the event the subordinated incentive listing fee is earned by American Realty Capital II, LLC as a result of the listing of the shares, any previous payments of the subordinated participation in net sale proceeds will offset the amounts due pursuant to the subordinated incentive listing fee, and we will not be required to pay American Realty Capital Advisors, LLC any further subordinated participation in net sale proceeds. As agreed with the Ohio Division of Securities in connection with the qualification of the offering in that state, the Advisor and the Company have agreed that any subordinated listing fee or termination payments due to the Advisor will only be paid when assets acquired during the period that the Advisor was entitled to such payments are sold or refinanced. The payment of such subordinated listing fee or termination fee will be paid by the issuance of a non-interest bearing, non-transferable promissory note in the amount of such fee. The note will be payable as the subject assets are sold or refinanced. In the event that the note is not paid in full in three years after issuance and the Company is listed, the note is convertible at the option of the Advisor into shares of the Company s common stock.

(17) Our charter and the Partnership Agreement of American Realty Capital Operating Partnership, L.P. provide that before any subordinated participation in net sales proceeds or subordinated incentive listing fee is paid to American Realty Capital II, LLC, the shareholders of our stock have to receive a 6% cumulative non-compounded return on their original purchase price for their shares.

(18) All fees and commissions under the Property Management Agreement will be no less favorable than fees and commissions from transactions with unaffiliated third parties performing property management for double and triple net leases.

(19) On June 2, 2010, we and American Realty Capital Operating Partnership, L.P. entered into an amended and restated advisory agreement with American Realty Capital Advisors, LLC which amended the advisory agreement to provide that in the event our Board of Directors decides to internalize any management services provided by American Realty Capital Advisors, LLC, neither we nor American Realty Capital Operating Partnership, L.P. will pay any compensation to American Realty Capital Advisors, LLC or its affiliates in connection with the internalization transaction.

American Realty Capital II, LLC cannot earn both the subordinated participation in net sale proceeds and the subordinated incentive listing fee. The subordinated participation in net sale proceeds or the subordinated listing fee, as the case may be, will be paid in the form of a non-interest bearing promissory note that will be repaid from the net sale proceeds of each sale after the date of the termination or listing. At the time of such sale, we may, however, at our discretion, pay all or a portion of such promissory note with shares of our common stock or cash. If shares are used for payment, we do not anticipate that they will be registered under the Securities Act and, therefore, will be subject to restrictions on transferability.

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Any portion of the subordinated participation in net sale proceeds that American Realty Capital II, LLC receives prior to our listing will offset the amount otherwise due pursuant to the subordinated incentive listing fee. In no event will the amount paid to American Realty Capital II, LLC under the promissory note, if any, exceed the amount considered presumptively reasonable by the NASAA REIT Guidelines.

As agreed with the Ohio Division of Securities in connection with the qualification of the offering in that state, the Advisor and the Company have agreed that any subordinated listing fee or termination payments due to the Advisor will only be paid when assets acquired during the period that the Advisor was entitled to such payments are sold or refinanced. The payment of such subordinated listing fee or termination fee will be paid by the issuance of a non-interest bearing, non-transferable promissory note in the amount of such fee. The note will be payable as the subject assets are sold or refinanced. In the event that the note is not paid in full in three years after issuance and the Company is listed, the note is convertible at the option of the Advisor into shares of the Company s common stock.

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At least a majority of our independent directors must determine, from time to time but at least annually, that our total fees and expenses are reasonable in light of our investment performance, net assets, net income and the fees and expenses of other comparable unaffiliated REITs. Each such determination will be reflected in the minutes of our board of directors. The total operating expenses (as defined in the NASAA REIT Guidelines) of the company will not exceed, in any fiscal year, the greater of 2% of the Average Invested Assets (as defined in the NASAA REIT Guidelines) or 25% of Net Income (as defined in the NASAA REIT Guidelines), unless our independent directors find that, based on unusual and non-recurring factors, a higher level of expense is justified for that year. Our independent directors shall also supervise the performance of our advisor and the compensation that we pay to it to determine that the provisions of our advisory agreement are being carried out.

Each such determination will be recorded in the minutes of our board of directors and based on the factors set forth below and other factors that the independent directors deem relevant:

- the size of the advisory fee in relation to the size, composition and profitability of our portfolio;
- the success of American Realty Capital Advisors, LLC in generating opportunities that meet our investment objectives;
- the rates charged to other REITs, especially similarly structured REITs, and to investors other than REITs by advisors performing similar services;
- additional revenues realized by American Realty Capital Advisors, LLC through its relationship with us;
- the quality and extent of service and advice furnished by American Realty Capital Advisors, LLC;
- the performance of our investment portfolio, including income, conservation or appreciation of capital, frequency of problem investments and competence in dealing with distress situations; and
- the quality of our portfolio in relationship to the investments generated by American Realty Capital Advisors, LLC for the account of other clients.

Since American Realty Capital Advisors, LLC and its affiliates are entitled to differing levels of compensation for undertaking different transactions on our behalf, such as the property management fees for operating our properties and the subordinated participation in net sale proceeds, our advisor has the ability to affect the nature of the compensation it receives by undertaking different transactions. However, American Realty Capital Advisors, LLC is obligated to exercise good faith and integrity in all its dealings with respect to our affairs pursuant to the advisory agreement. See Management The Advisory Agreement.

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Conflicts of Interest

The following language replaces the introductory disclosure under the heading Conflicts of Interest on page 79 of the Prospectus.

We are subject to various conflicts of interest arising out of our relationship with our advisor and its affiliates, including conflicts related to the arrangements pursuant to which our advisor and its affiliates will be compensated by us. Our agreements and compensation arrangements with our advisor and its affiliates were not determined by arm s-length negotiations. See the section entitled Management Compensation in this prospectus. Some of the conflicts of interest in our transactions with our advisor and its affiliates, and the limitations on our advisor and its affiliates adopted to address these conflicts, are described below.

Affiliates of our advisor have sponsored and may sponsor one or more other real estate investment programs in the future, including American Realty Capital New York Recovery REIT, Inc., or Recovery REIT, Phillips Edison ARC Shopping Center REIT, Inc., or PEARC, American Realty Capital Healthcare Trust, Inc., or ARC HT, American Realty Capital Retail Centers of America, Inc., or ARC RCA, American Realty Capital Trust II, Inc., or ARCT II, ARC Northcliffe Income Properties, Inc., or ARC Northcliffe, American Realty Capital Trust III, Inc., or ARCT III, and American Realty Capital Properties, Inc., or ARCP. For additional information on each of these programs, please see the section entitled Prior Performance Summary elsewhere in this prospectus. Recovery REIT filed its initial registration statement with the SEC on November 12, 2009, which became effective on September 2, 2010. As of February 28, 2011, Recovery REIT had received aggregate gross offering proceeds of approximately $17.0 million from the sale of approximately 2.0 million shares from a private offering to accredited investors (as defined in Regulation D as promulgated under the Securities Act). As of February 28, 2011, Recovery REIT had received aggregate gross proceeds of approximately $5.9 million from the sale of 0.6 million shares in its public offering. As of February 28, 2011, Recovery REIT had acquired six commercial properties which are 100% leased. As of February 28, 2011, Recovery REIT had total real estate investments, at cost, of approximately $66.3 million**.** PEARC filed its initial registration statement with the SEC on January 13, 2010 and became effective on August 12, 2010. As of February 28, 2011, PEARC had received aggregate gross offering proceeds of $8.5 million from the sale of 0.9 million shares in its public offering. As of February 28, 2011, PEARC had acquired two shopping centers for a purchase price of $20.0 million. ARC HT filed its initial registration statement with the SEC on August 27, 2010 and became effective on February 18, 2011. As of February 28, 2011, the company had not raised any money in connection with the sale of its common stock nor had it acquired any properties. ARC RCA filed its initial registration statement with the SEC on September 13, 2010, which has yet to become effective. As of February 28, 2011, ARC RCA had not raised any money nor acquired any investments. ARCT II filed its initial registration statement with the SEC on October 8, 2010, which has yet to become effective. As of February 28, 2011, ARCT II had not raised any money nor acquired any investments. ARC Northcliffe filed its initial registration statement with the SEC on October 12, 2010, which has yet to become effective. As of February 28, 2011, ARC Northcliffe had not raised any money nor acquired any investments. ARCT III filed its initial registration statement with the SEC on November 2, 2010. As of February 28, 2011, ARCT III had not raised any money nor acquired any investments. ARCP filed its initial registration statement with the SEC on February 11, 2011. As of February 28, 2011, ARCP had not raised any money nor acquired any investments.

None of the investment objectives of these affiliated programs are similar to our investment objectives, which aim to acquire high quality income-producing commercial real estate located in the New York MSA, and in particular, New York City, with a focus on office and retail properties.

The officers and key personnel of our advisor are expected to spend a substantial portion of their time on activities unrelated to us, which may significantly reduce the amount of time to be spent by such officers and key personnel on activities related to us. Each of the officers and key personnel, including Messrs. Schorsch and Kahane, is currently expected to spend a portion of their time on our behalf. In addition to the key personnel listed above, our advisor employs personnel who have extensive experience in managing REITs similar to us and selecting and managing commercial properties similar to the properties sought to be acquired by us. Based on our sponsor s experience in sponsoring Recovery REIT, PEARC and us, all of which are non-traded REITs that are in their operational stage, a significantly greater time commitment is required of senior management during the development stage when the REIT is being organized, funds are initially being raised

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and funds are initially being invested, and less time is required as additional funds are raised and the offering matures. We refer to the development stage of a REIT as the time period from the inception of the REIT until it raises a sufficient amount of funds to break escrow under its registration statement.

In addition, certain of our executive officers, Messrs. Schorsch and Kahane, also are officers of our advisor, our property manager, our dealer manager and other affiliated entities, including the advisor and property manager of other REITs sponsored by the American Realty Capital group of companies, many of which are in the development stage.

The management of multiple REITs, especially REITs in the development stage, may significantly reduce the amount of time our executive officers are able to spend on activities related to us. Additionally, as described below, given that five of the American Realty Capital-sponsored REITs have registration statements that are not yet effective and are in the development phase, and three of the American Realty Capital-sponsored REITs have registration statements that became effective in the past six months, including us, in which our executive officers are involved, and will have concurrent and/or overlapping fundraising, acquisition, operational and disposition and liquidation phases, conflicts of interest related to these REITs will arise throughout the life of our company with respect to, among other things, finding investors, locating and acquiring properties, entering into leases and disposing of properties. The conflicts of interest each of our executive officers and each officer of our advisor will face may delay our fund raising and investment of our proceeds due to the competing time demands.

These individuals also owe fiduciary duties to these other entities and their stockholders and limited partners, which fiduciary duties may conflict with the duties that they owe to us and our stockholders. Their loyalties to these other entities could result in actions or inactions that are detrimental to our business, which could harm the implementation of our business strategy and our investment and leasing opportunities. Conflicts with our business and interests are most likely to arise from involvement in activities related to (a) allocation of new investments and management time and services between us and the other entities, (b) our purchase of properties from, or sale of properties to, affiliated entities, (c) the timing and terms of the investment in or sale of an asset, (d) development of our properties by affiliates, (e) investments with affiliates of our advisor, (f) compensation to our advisor, and (g) our relationship with our dealer manager and property manager. If we do not successfully implement our business strategy, we may be unable to generate cash needed to make distributions to you and to maintain or increase the value of our assets. If these individuals act or fail to act in a manner that is detrimental to our business or favor one entity over another, they may be subject to liability for breach of fiduciary duty.

Although certain of our executive officers face conflicts of interest as a result of the foregoing, the following factors tend to ameliorate the effect of the resulting potential conflicts of interest. Our fundraising, including finding investors, will be handled principally by our dealer manager, with our executive officers participation limited to participation in sales seminars. As described below, our dealer manager has a sales team that includes 90 professionals, as well as a wholesaling team for each offering dedicated to that offering, which it believes is adequate and structured in a manner to handle sales for all of the offerings for which it is the dealer manager. Some of the American Realty Capital-sponsored REITs have sub-advisors or dedicated management teams who have primary responsibility for investment activities of the REIT, which may mitigate some of these conflicts of interest. Five senior members, all of which are our executive officers, collectively indirectly own interests in the dealer manager and the sponsors or co-sponsors of the American Realty Capital-sponsored investment programs. Controlling interests in the dealer manager and the sponsors or co-sponsors of the American Realty Capital-sponsored investment programs are owned by Nicholas S. Schorsch and William M. Kahane. See the organizational chart in this section below. These members share responsibility for overseeing key management functions, including general management, investing, asset management, financial reporting, legal and accounting activities, marketing strategy and investor relations. This bench of senior members provides depth of management and is designed with succession planning in mind.

Nonetheless, the competing time commitments resulting from managing multiple development stage REITs may impact our investment activities and our executive officers ability to oversee these activities.

We will compete for investors with other American Realty Capital-sponsored programs, which offerings will be ongoing during a significant portion of our offering period. The overlap of these offerings with our

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offering could adversely affect our ability to raise all the capital we seek in this offering, the timing of sales of our shares and the amount of proceeds we have to spend on real estate investments.

We may buy properties at the same time as one or more of the other American Realty Capital-sponsored programs managed by officers and key personnel of our advisor. As a result, they owe duties to each of these entities, their members and limited partners and these investors and others to whom they provide services, which duties may from time to time conflict with the fiduciary duties that they owe to us and our stockholders. However, to the extent that our advisor or its affiliates take actions that are more favorable to other entities than to us, these actions could have a negative impact on our financial performance and, consequently, on distributions to you and the value of our stock. In addition, our directors, officers and certain of our stockholders may engage for their own account in business activities of the types conducted or to be conducted by our subsidiaries and us. For a discussion of the restrictions included in our charter relating to limits placed upon our directors, officers and certain of our stockholders, see the section of this prospectus captioned Certain Conflict Resolution Procedures. In addition, for a description of some of the risks related to these conflicts of interest, see the section of this prospectus captioned Risk Factors Risks Related to Conflicts of Interest.

Our independent directors have an obligation to function on our behalf in all situations in which a conflict of interest may arise, and all of our directors have a fiduciary obligation to act on behalf of our stockholders.

The following disclosure is to be added to the section of the Prospectus entitled Conflicts of Interest Joint Ventures with Affiliates of American Realty Capital Advisors, LLC on page 81 of the Prospectus.

On December 1, 2010, we entered into a joint venture agreement with New York Recovery Operating Partnership, L.P. (the Operating Partnership), the operating partnership of American Realty Capital New York Recovery REIT, Inc. (Recovery REIT), an affiliate of our advisor, and an unaffiliated third party investor pursuant to which we made a $12.0 million preferred equity investment in five retail condominiums in Manhattan, New York. The properties are located on Bleecker Street in Greenwich Village and are leased to the following five high-end fashion tenants: Marc Jacobs, Michael Kors, Burberry, Mulberry and APC. The distribution on our preferred equity investment is $840,000 per annum. Recovery REIT may redeem our preferred equity interest at our capital contribution of $12.0 million plus any accrued yield at any time. In addition, if the Operating Partnership sells its membership interest in the joint venture to a third party, it may redeem our preferred equity interest at our pro rata share of the purchase price for all interests in the joint venture based on capital contributions. The joint venture agreement does not provide us with voting rights and as such, the Recovery REIT is responsible for day-to-day control over operating decisions of the properties.

The following disclosure is to be added to the section of the Prospectus entitled Conflicts of Interest on page 79 of the Prospectus.

Investment Rights and Obligations.

Our ability to make investments in our target assets is governed by an investment opportunity allocation agreement with ARCT II, ARCT III and us (ARC Funds). Pursuant to the investment opportunity allocation provisions applicable to the ARC Funds , if our Advisor determines that a target asset is appropriate for acquisition by us and one or more ARC Funds, it will present such investment opportunity to our board of directors and the board of directors (or the equivalent) of such ARC Funds. If a majority of our board of directors, including a majority of our independent directors, and a majority of the board of directors (or the equivalent), including a majority of the independent directors (if applicable), of one or more ARC Funds vote to acquire the target property, then such target property will be subject to the following process: (1) if the target asset is a single property, the acquisition will be subject to rotation among the ARC Funds; (2) if the target assets are part of a portfolio, any industrial and office target assets will allocated to ARCT II and any retail target assets will be divided among the ARC Funds, based upon industry diversification and geographical diversification.

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ARCP s investment objective is to acquire short term net lease properties (remaining terms of 3 to 8 years) while the ARC Funds investment objectives is to acquire longer term net lease properties (remaining terms of 10 years or longer). For this reason, ARCP is not a party to the investment opportunity allocation agreement.

Investment Objectives and Policies

The following language replaces the paragraph entitled Investment Grade. in the section of the Prospectus entitled Investment Objectives and Policies Acquisition and Investment Policies on page 85 of the Prospectus.

Investment Grade. A tenant will be considered investment grade when the tenant has a debt rating by Moody s of Baa3 or better or a credit rating by Standard & Poor s or Fitch of BBB- or better, a credit rating by Bloomberg of B3L or better or its payments are guaranteed by a company with such rating. In cases where a tenant does not have a Standard & Poor s, Moody s, Fitch or Bloomberg rating, we will consider a tenant to be investment grade if it has received a rating of 1 or 2 by the National Association of Insurance Commissioners (NAIC) on a debt private placement or is a wholly owned subsidiary of a parent company, constituting a majority of the parent company s assets, and the parent company has a debt rating by Moody s of Baa3 or better or a credit rating by Standard & Poor s or Fitch of BBB- or better or credit rating by Bloomberg of B3L or better. NAIC 1 is assigned to obligations exhibiting the highest quality. Credit risk is at its lowest and the issuer s credit profile is stable. NAIC 2 is assigned to obligations of high quality. Credit risk is low but may increase in the intermediate future and the issuer s credit profile is reasonably stable. Changes in tenant credit ratings, coupled with future acquisition and disposition activity, may increase or decrease our concentration of investment grade tenants in the future.

The following information supplements the section of the Prospectus entitled Investment Objectives and Policies Section 1031 Exchange Program on page 102 of the Prospectus.

To date, cash payments of $15.1 million have been accepted by the Operating Partnership.

The following information is to be added as a new paragraph in the section of the Prospectus entitled Investment Objective and Policies on page 85 of the Prospectus.

Insurance Policies

We typically purchase comprehensive liability, rental loss and all-risk property casualty insurance covering our real property investments provided by reputable companies, with commercially reasonable deductibles, limits and policy specifications customarily carried for similar properties. There are, however, certain types of losses that may be either uninsurable or not economically insurable, such as losses due to floods, riots, terrorism or acts of war. If an uninsured loss occurs, we could lose our invested capital in, and anticipated profits from, the property. For these purposes, invested capital means the original issue price paid for the shares of our common stock reduced by prior distributions from the sale or financing of our properties. See the section entitled Risk Factors General Risks Related to Investments in Real Estate in this prospectus for additional discussion regarding insurance.