

SECURITY CAPITAL CORP/DE/
Form 10-Q
May 15, 2006

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark one)

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

for the quarterly period ended March 31, 2006.

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

for the transition period from to .

1-7921

(Commission file number)

Security Capital Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-3003070

(I.R.S. Employer Identification No.)

Eight Greenwich Office Park, Third Floor, Greenwich, CT 06831

(Address of principal executive offices, including zip code)

(203) 625-0770

(Registrant's telephone number, including area code)

N.A.

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(Former address, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 5, 2006, there were 7,254,089 outstanding shares of Class A Common Stock, par value \$ 0.01, and 380 outstanding shares of Common Stock, par value \$ 0.01, of the Registrant.

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PART I FINANCIAL INFORMATION**Item 1. Financial Statements****Security Capital Corporation and Subsidiaries****Condensed Consolidated Balance Sheets***(unaudited)*

(in thousands, except share and per share amounts)	March 31, 2006	December 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 91,145	\$ 8,940
Accounts receivable, net	20,026	21,124
Deferred income taxes	1,244	1,244
Other current assets	1,496	1,580
Current assets of discontinued operations		7,425
Total current assets	113,911	40,313
Property and equipment, net	8,032	8,282
Goodwill, net	55,727	55,727
Identified intangible assets, net	11,769	12,358
Deferred income taxes	668	668
Other assets	1,445	1,055
Non-current assets of discontinued operations		23,371
Total assets	\$ 191,552	\$ 141,774
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 271	\$ 2,171
Accrued expenses and other liabilities	11,776	12,013
Income taxes payable	21,764	6,784
Unearned revenue	28,531	25,239
Current portion of long-term debt	9,674	9,674
Current liabilities of discontinued operations		4,303
Total current liabilities	72,016	60,184
Long-term debt	22,726	24,751
Other long-term obligations	2,297	2,465
Non-current liabilities of discontinued operations		3,182
Minority interests	3,971	3,637
Commitments and contingencies (Note 12)		
Stockholders equity:		
Common stock, \$0.01 par value, 7,500 shares authorized; 380 shares issued and outstanding		
Class A common stock, \$0.01 par value, 10,000,000 shares authorized; 7,156,309 shares issued, 7,148,587 shares outstanding	71	68
Additional paid-in capital	71,252	67,010
Retained earnings (accumulated deficit)	19,070	(19,632)
Accumulated other comprehensive income	234	194
Less: treasury stock, at cost, 7,722 shares	(85)	(85)

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Total stockholders' equity		90,542		47,555
Total liabilities and stockholders' equity	\$	191,552	\$	141,774

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

Security Capital Corporation and Subsidiaries

Condensed Consolidated Statements of Income

(unaudited)

(in thousands, except per share amounts)	For the Three Months Ended March 31,	
	2006	2005
Revenues	\$ 37,312	\$ 31,585
Selling, general and administrative expenses	32,321	28,875
Depreciation and amortization	1,228	893
Operating income	3,763	1,817
Interest expense	(624)	(430)
Other income, net	100	139
Income from continuing operations before income taxes, minority interest and gain on sale of subsidiary	3,239	