CBL & ASSOCIATES PROPERTIES INC
Form 8-K/A
January 02, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES AND EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **October 16, 2007**

CBL & ASSOCIATES PROPERTIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**1-12494**	**62-1545718**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2030 Hamilton Place Blvd, Suite 500, Chattanooga, TN 37421-6000
(Address of principal executive office, including zip code)

423.855.0001
(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 9.01 Financial Statements and Exhibits

On October 22, 2007, CBL & Associates Properties, Inc. ("CBL") filed a Current Report on Form 8-K pursuant to Items 2.01 and 9.01 that reported the completion of two transactions with the Westfield Group ("Westfield") involving four malls located in the St. Louis, MO area.

On October 16, 2007, Chesterfield Mall was acquired by CBL from Westfield in exchange for cash and the assumption of the property's debt. The assets and liabilities of this property will be accounted for under the purchase method of accounting in CBL's consolidated financial statements and will be recorded based on their estimated fair values. On that same date, Westfield contributed West County Mall, South County Mall and Mid Rivers Mall to CW Joint Venture LLC (the "JV"), a CBL-controlled joint venture in exchange for 100% of the preferred equity in the JV. Due to the fact that CBL has a controlling voting interest and receives all of the economics of the three properties contributed to the JV once Westfield has received its preferred distribution, CBL will also consolidate these three properties. Therefore, the assets and liabilities of these properties will be accounted for under the purchase method of accounting in CBL's consolidated financial statements and will be recorded based on their estimated fair values.

This Amendment No. 1 to Current Report on Form 8-K provides the required financial statements and pro forma financial information pursuant to parts (a) and (b), respectively, of Item 9.01.

Listed below are the financial statements, pro forma financial information and exhibits filed as part of this report:

(a) Financial Statements of Businesses Acquired

The combined statement of certain revenues and certain operating expenses of South County Mall, West County Mall, Mid Rivers Mall and Chesterfield Mall (collectively, the "Westfield Malls") listed in the accompanying Index to Financial Statements and Pro Forma Financial Information is filed as part of this Current Report on Form 8-K/A.

(b) Pro Forma Financial Information

The pro forma financial information of CBL & Associates Properties, Inc. listed in the accompanying Index to Financial Statements and Pro Forma Financial Information is filed as part of this Current Report on Form 8-K/A.

(c) Exhibits

10.22.1 Contribution Agreement among Westfield America Limited Partnership, as Transferor, and CW Joint Venture, LLC, as Transferee, and CBL & Associates Limited Partnership dated August 9, 2007*

10.22.2 Contribution Agreement among CBL & Associates Limited Partnership, as Transferor, St. Clair Square, GP, Inc. and CW Joint Venture, LLC, as Transferee, and Westfield America Limited Partnership, dated August 9, 2007*

10.22.3	Purchase and Sale Agreement between Westfield America Limited Partnership, as Transferor, and CBL & Associates Limited Partnership, as Transferee, dated August 9, 2007*

23.1	Consent of Deloitte & Touche LLP
99.1	Press Release – CBL Completes $1.03 Billion Transaction to Gain Control of Four Leading St. Louis Area Regional Malls**

* Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2007 filed on November 9, 2007.

** Incorporated by reference from the Current Report on Form 8-K filed on October 22, 2007.

SIGNATURE

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

CBL & ASSOCIATES PROPERTIES, INC.

/s/ John N. Foy

John N. Foy

Vice Chairman of the Board,

Chief Financial Officer and Treasurer

Date: January 2, 2008

INDEX TO FINANCIAL STATEMENTS AND

PRO FORMA FINANCIAL INFORMATION

The term "acquisition" shall refer to the purchase of a controlling interest in West County Mall, South County Mall and Mid Rivers Mall and the acquisition of Chesterfield Mall by CBL & Associates Properties, Inc. from the Westfield Group.

The following historical financial statements and pro forma financial information are presented in accordance with Rule 3-14 and Article 11, respectively, of Regulation S-X of the Securities and Exchange Commission. The historical financial statements have been audited only for the most recent fiscal year preceding the respective acquisition date as these transactions did not involve a related party and the registrant, after reasonable inquiry, is not aware of any material factors related to South County Mall, West County Mall, Mid Rivers Mall and Chesterfield Mall (the "Westfield Malls") not otherwise disclosed that would cause the reported financial information to not be necessarily indicative of future operating results. In addition, as the Westfield Malls will be directly or indirectly owned by entities that will elect or have elected to be treated as real estate investment trusts (as specified under sections 856-860 of the Internal Revenue Code of 1986) for Federal income tax purposes, a presentation of estimated taxable operating results is not applicable.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders

CBL & Associates Properties, Inc.:

We have audited the accompanying combined statement of certain revenues and certain operating expenses of South County Mall, West County Mall, Mid Rivers Mall and Chesterfield Mall (the "Westfield Malls") for the year ended December 31, 2006. This financial statement is the responsibility of CBL & Associates Properties, Inc.'s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Westfield Malls' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statement of certain revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the filing of a Form 8-K by CBL & Associates Properties, Inc. as a result of the acquisition of one mall and the purchase of a controlling interest in three malls). Material amounts, described in Note 1 to the combined statement of certain revenues and certain operating expenses that would not be directly attributable to those resulting from future operations of the Westfield Malls are excluded, and the financial statement is not intended to be a complete presentation of the Westfield Malls' revenues and expenses.

In our opinion, such financial statement presents fairly, in all material respects, certain revenues and certain operating expenses of the Westfield Malls for the year ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia

January 2, 2008

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South County Mall, West County Mall, Mid Rivers Mall and Chesterfield Mall

Combined Statements of Certain Revenues and Certain Operating

Expenses for the Nine Months Ended September 30, 2007 (Unaudited)

and the Year Ended December 31, 2006

(In thousands)

	Nine Months Ended September 30, 2007 (Unaudited)	Year Ended December 31, 2006
REVENUES:		
Minimum rents	$ 43,349	$ 58,897
Percentage rents	695	1,537
Other rents	3,812	6,371
Tenant reimbursements	16,926	22,775
Total revenues	64,782	89,580
EXPENSES:		
Property operating	8,953	11,637
Real estate taxes	6,559	7,970
Maintenance and repairs	3,852	4,916
Total expenses	19,364	24,523
Excess of certain revenues over certain operating expenses	$ 45,418	$ 65,057

See accompanying notes to financial statements.

SOUTH COUNTY MALL, WEST COUNTY MALL, MID RIVERS MALL

AND CHESTERFIELD MALL

NOTES TO COMBINED STATEMENT OF CERTAIN REVENUES AND CERTAIN OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1. ORGANIZATION AND BASIS FOR PRESENTATION

The accompanying combined statement of certain revenues and certain operating expenses (the "Statement") relates to South County Mall, West County Mall, Mid Rivers Mall and Chesterfield Mall (the "Westfield Malls"), regional shopping malls in Missouri.

The term "acquisition" shall refer to the purchase of a controlling interest in West County Mall, South County Mall and Mid Rivers Mall and the acquisition of Chesterfield Mall by CBL & Associates Properties, Inc. ("CBL") from the Westfield Group ("Westfield"). See Note 4 for further discussion.

The Statement is prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, as a result of the acquisition of the Westfield Malls by CBL. Accordingly, the Statement is not representative of the actual operations of the Westfield Malls for the periods presented as certain revenues and certain operating expenses have been excluded. Such items include depreciation, amortization, interest expense, management fees, leasing commissions and interest income.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition - Rental income comprises minimum rents, expense reimbursements and percentage rent payments. Minimum rents with fixed increases are recognized on a straight-line basis over the initial terms of the related leases. Tenant reimbursements are recognized in the period that the related costs are incurred. The Westfield Malls account for these leases as operating leases as they have retained substantially all risks and benefits of property ownership. Percentage rent is recognized when the tenant's reported sales have reached certain levels specified in the respective lease.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. LEASING ACTIVITIES

The Westfield Malls have non-cancelable operating leases with tenants requiring monthly payments of specified minimum rent. The leases generally provide for minimum rentals, plus percentage rentals based upon the retail stores' sales volume. A majority of the leases require reimbursement by the tenant of their proportionate share of real estate taxes and common area expenses. Future minimum rental commitments under the non-cancelable operating leases at December 31, 2006 are as follows (in thousands):

Year Ending December 31,	
2007	$ 54,558
2008	52,807
2009	50,418
2010	49,172
2011	47,072
Thereafter	179,515
Total	$ 433,542

NOTE 4. SUBSEQUENT EVENT

On October 16, 2007, Chesterfield Mall was acquired by CBL from Westfield in exchange for cash and the assumption of the property's debt. On that same date, Westf