

AG Mortgage Investment Trust, Inc.  
Form 10-Q  
November 05, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

**(Mark One)**

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

**For the quarterly period ended September 30, 2015**

**OR**

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 001-35151**

**AG MORTGAGE INVESTMENT TRUST, INC.**

**Maryland** **27-5254382**  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification No.)

**245 Park Avenue, 26th Floor** **10167**  
**New York, New York**  
(Address of Principal Executive Offices) (Zip Code)

**(212) 692-2000**

**(Registrant's Telephone Number, Including Area Code)**

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 and Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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  Accelerated filer  Non-Accelerated filer  Smaller reporting company  (Do not check if a smaller reporting company)

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

As of October 31, 2015, there were 28,412,925 outstanding shares of common stock of AG Mortgage Investment Trust, Inc.



**AG MORTGAGE INVESTMENT TRUST, INC.**

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**PART I****ITEM 1. FINANCIAL STATEMENTS****AG Mortgage Investment Trust, Inc. and Subsidiaries****Consolidated Balance Sheets****(Unaudited)**

	September 30, 2015	December 31, 2014
Assets		
Real estate securities, at fair value:		
Agency - \$1,386,686,075 and \$1,691,194,581 pledged as collateral, respectively	\$ 1,511,770,924	\$ 1,808,314,746
Non-Agency - \$1,088,370,200 and \$1,088,398,641 pledged as collateral, respectively	1,141,674,101	1,140,077,928
ABS - \$56,294,507 and \$66,693,243 pledged as collateral, respectively	56,294,507	66,693,243
CMBS - \$132,425,798 and \$96,920,646 pledged as collateral, respectively	138,606,755	100,520,652
Residential mortgage loans, at fair value - \$73,196,700 and \$73,407,869 pledged as collateral, respectively	79,526,198	85,089,859
Commercial loans, at fair value - \$62,800,000 pledged as collateral	72,800,000	72,800,000
U.S. Treasury securities, at fair value - \$126,566,328 and \$0 pledged as collateral, respectively	126,566,328	-
Investments in affiliates	41,834,369	20,345,131
Excess mortgage servicing rights, at fair value	455,743	628,367
Linked transactions, net, at fair value	-	26,695,091
Cash and cash equivalents	48,118,818	64,363,514
Restricted cash	39,975,602	34,477,975
Interest receivable	11,321,499	11,886,019
Receivable on unsettled trades - \$49,463,611 and \$0 pledged as collateral, respectively	51,364,775	-
Receivable under reverse repurchase agreements	25,687,500	-
Derivative assets, at fair value	53,007	11,382,622
Other assets	16,147,164	10,543,072
Due from broker	3,294,102	4,586,912
Total Assets	\$ 3,365,491,392	\$ 3,458,405,131
Liabilities		
Repurchase agreements	\$ 2,213,921,641	\$ 2,644,955,948
FHLBC advances	351,694,000	-
Securitized debt	32,804,051	39,777,914
	25,197,266	-

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Obligation to return securities borrowed under reverse repurchase agreements, at fair value		
Payable on unsettled trades	9,540,502	-
Interest payable	2,833,873	2,461,494
Derivative liabilities, at fair value	18,184,072	8,608,209
Dividend payable	17,046,562	17,031,609
Due to affiliates	5,029,665	4,850,807
Accrued expenses	1,822,912	2,285,339
Taxes payable	1,339,716	1,743,516
Due to broker	139,702	4,015,152
Total Liabilities	2,679,553,962	2,725,729,988
Stockholders' Equity		
Preferred stock - \$0.01 par value; 50,000,000 shares authorized:		
8.25% Series A Cumulative Redeemable Preferred Stock, 2,070,000 shares issued and outstanding (\$51,750,000 aggregate liquidation preference)	49,920,772	49,920,772
8.00% Series B Cumulative Redeemable Preferred Stock, 4,600,000 shares issued and outstanding (\$115,000,000 aggregate liquidation preference)	111,293,233	111,293,233
Common stock, par value \$0.01 per share; 450,000,000 shares of common stock authorized and 28,410,937 and 28,386,015 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	284,110	283,861
Additional paid-in capital	586,222,271	586,051,751
Retained earnings/(deficit)	(61,782,956)	(14,874,474)
Total Stockholders' Equity	685,937,430	732,675,143
Total Liabilities & Stockholders' Equity	\$ 3,365,491,392	\$ 3,458,405,131

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

## AG Mortgage Investment Trust, Inc. and Subsidiaries

## Consolidated Statements of Operations

(Unaudited)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Net Interest Income				
Interest income	\$ 33,506,151	\$ 36,197,633	\$ 107,164,687	\$ 106,419,808
Interest expense	8,506,994	6,819,731	23,595,601	19,750,086
	24,999,157	29,377,902	83,569,086	86,669,722
Other Income				
Net realized gain/(loss)	(4,710,086 )	10,539,221	(16,513,340 )	9,261,721
Income/(loss) from linked transactions, net	-	3,481,936	-	11,018,043
Realized loss on periodic interest settlements of derivative instruments, net	(3,340,497 )	(5,260,449 )	(10,030,453 )	(17,341,950 )
Unrealized gain/(loss) on real estate securities and loans, net	7,238,103	(19,457,277 )	(3,758,180 )	52,563,595
Unrealized gain/(loss) on derivative and other instruments, net	(19,523,287 )	9,459,244	(22,645,097 )	(33,639,291 )
	(20,335,767 )	(1,237,325 )	(52,947,070 )	21,862,118
Expenses				
Management fee to affiliate	2,481,816	2,548,601	7,490,997	7,556,613
Other operating expenses	3,390,191	3,140,272	9,754,131	8,523,178
Servicing fees	174,999	157,016	494,997	319,733
Equity based compensation to affiliate	51,069	67,562	164,487	222,221
Excise tax	375,000	533,539	1,125,000	1,408,539
	6,473,075	6,446,990	19,029,612	18,030,284
Income/(loss) before income tax benefit/(expense) and equity in earnings/(loss) from affiliates	(1,809,685 )	21,693,587	11,592,404	90,501,556
Income tax benefit/(expense)	-	172,709	-	79,914
Equity in earnings/(loss) from affiliates	1,512,037	523,316	2,713,834	4,159,667
Net Income/(Loss)	(297,648 )	22,389,612	14,306,238	94,741,137
Dividends on preferred stock	3,367,354	3,367,354	10,102,062	10,102,062

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Net Income/(Loss) Available to Common Stockholders	\$ (3,665,002	) \$ 19,022,258	\$ 4,204,176	\$ 84,639,075
Earnings/(Loss) Per Share of Common Stock				
Basic	\$ (0.13	) \$ 0.67	\$ 0.15	\$ 2.98
Diluted	\$ (0.13	) \$ 0.67	\$ 0.15	\$ 2.98
Weighted Average Number of Shares of Common Stock Outstanding				
Basic	28,410,937	28,384,238	28,396,006	28,377,681
Diluted	28,410,937	28,405,069	28,405,900	28,396,797

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



**AG Mortgage Investment Trust, Inc. and Subsidiaries****Consolidated Statements of Stockholders' Equity****(Unaudited)**

	Common Stock		8.25 % Series A Cumulative Redeemable Preferred Stock	8.00 % Series B Cumulative Redeemable Preferred Stock	Additional Paid-in Capital	Retained Earnings/(Deficit)	Total
	Shares	Amount					
Balance at January 1, 2014	28,365,655	\$283,657	\$49,920,772	\$111,293,233	\$585,619,488	\$(42,686,416)	\$704,430,734
Grant of restricted stock and amortization of equity based compensation	18,692	187	-	-	324,147	-	324,334
Common dividends declared	-	-	-	-	-	(51,082,601)	(51,082,601)
Preferred Series A dividends declared	-	-	-	-	-	(3,202,062)	(3,202,062)
Preferred Series B dividends declared	-	-	-	-	-	(6,900,000)	(6,900,000)
Net Income/(Loss)	-	-	-	-	-	-	-