

WELLS REAL ESTATE INVESTMENT TRUST INC
Form POS AM
January 24, 2003
Table of Contents

As filed with the Securities and Exchange Commission on January 24, 2003

Registration No. 333-85848

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 2 TO
FORM S-11
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

WELLS REAL ESTATE INVESTMENT TRUST, INC.

(Exact name of registrant as specified in governing instruments)

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Maryland
(State or other
Jurisdiction of Incorporation)

58-2328421
(I.R.S. Employer
Identification Number)

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. " _____

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. " _____

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. " _____

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If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. " _____

Approximate date of commencement of proposed sale to the public: As soon as practicable following effectiveness of this Registration Statement.

Table of Contents

[The following is text to a sticker to be attached to the front cover page of the prospectus in a manner that will not obscure the Risk Factors:]

SUPPLEMENTAL INFORMATION The prospectus of Wells Real Estate Investment Trust, Inc. consists of this sticker, the prospectus dated July 26, 2002, Supplement No. 1 dated August 14, 2002, Supplement No. 2 dated August 29, 2002, Supplement No. 3 dated October 15, 2002, Supplement No. 4 dated December 10, 2002 and Supplement No. 5 dated January 15, 2003. Supplement No. 1 includes descriptions of acquisitions of buildings in San Antonio, Texas; Houston, Texas; Duncan, South Carolina; and Suwanee, Georgia, updated unaudited financial statements and certain other revisions to the prospectus. Supplement No. 2 includes descriptions of acquisitions of buildings in Irving, Texas; and Austin, Texas, description of a lease of a build-to-suit office building in Chandler, Arizona, declaration of fourth quarter dividends and certain other revisions to the prospectus. Supplement No. 3 includes descriptions of acquisitions of buildings in Holtsville, New York; Parsippany, New Jersey; Indianapolis, Indiana; Colorado Springs, Colorado; Des Moines, Iowa; Plano Texas; and Westlake, Texas, description of a build-to-suit office building in Chandler, Arizona, audited financial statements relating to acquisitions of buildings in Austin, Texas; Holtsville, New York; and Parsippany, New Jersey, and certain other revisions to the prospectus. Supplement No. 4 includes descriptions of acquisitions of buildings in Washington, D.C.; Glen Allen, Virginia; and Nashville, Tennessee, audited financial statements relating to acquisitions of buildings in Washington, D.C.; and Nashville, Tennessee, updated unaudited financial statements, declaration of first quarter dividends for 2003 and certain other revisions to the prospectus. Supplement No. 5 includes descriptions of acquisitions of buildings in Fishers, Indiana; Glendale, California; and Mayfield Heights, Ohio, description of the second transaction under the Section 1031 Exchange Program, audited financial statements relating to the acquisition of the building in Glendale, California, updated unaudited financial statements, and certain other revisions to the prospectus.

Table of Contents

WELLS REAL ESTATE INVESTMENT TRUST, INC.

Up to 300,000,000 shares offered to the public

Wells Real Estate Investment Trust, Inc. (Wells REIT) is a real estate investment trust. We invest in commercial real estate properties primarily consisting of high grade office and industrial buildings leased to large corporate tenants. As of July 1, 2002, we owned interests in 53 real estate properties located in 19 states.

We are offering and selling to the public up to 300,000,000 shares for \$10 per share and up to 30,000,000 shares to be issued pursuant to our dividend reinvestment plan at a purchase price of \$10 per share. We are registering an additional 6,600,000 shares for issuance at \$12 per share to participating broker-dealers upon their exercise of warrants.

You must purchase at least 100 shares for \$1,000.

The most significant risks relating to your investment include the following:

- lack of a public trading market for the shares;
- reliance on Wells Capital, Inc., our advisor, to select properties and conduct our operations;
- authorization of substantial fees to the advisor and its affiliates;
- borrowing which increases the risk of loss of our investments; and
- conflicts of interest facing the advisor and its affiliates.

You should see the complete discussion of the risk factors beginning on page 17.

The Offering:

The shares will be offered on a best efforts basis to investors at \$10 per share.

We will pay selling commissions to broker-dealers of 7% and a dealer manager fee of 2.5% out of the offering proceeds raised.

We will invest approximately 84% of the offering proceeds raised in real estate properties, and the balance will be used to pay fees and expenses.

This offering will terminate on or before July 25, 2004.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of these securities or determined if this prospectus is truthful or complete. It is a criminal offense if someone tells you otherwise.

The use of projections or forecasts in this offering is prohibited. No one is permitted to make any oral or written predictions about the cash benefits or tax consequences you will receive from your investment.

WELLS INVESTMENT SECURITIES, INC.

July 26, 2002

Table of Contents

TABLE OF CONTENTS

<u>Questions and Answers About this Offering</u>	1
<u>Prospectus Summary</u>	10
<u>Risk Factors</u>	17
<u>Investment Risks</u>	17
<u>Real Estate Risks</u>	22
<u>Section 1031 Exchange Program Risks</u>	25
<u>Federal Income Tax Risks</u>	27
<u>Retirement Plan Risks</u>	28
<u>Suitability Standards</u>	28
<u>Estimated Use of Proceeds</u>	30
<u>Management</u>	31
<u>General</u>	31
<u>Committees of the Board of Directors</u>	33
<u>Executive Officers and Directors</u>	34
<u>Compensation of Directors</u>	38
<u>Independent Director Stock Option Plan</u>	38
<u>Independent Director Warrant Plan</u>	40
<u>2000 Employee Stock Option Plan</u>	40
<u>Limited Liability and Indemnification of Directors, Officers, Employees and Other Agents</u>	41
<u>The Advisor</u>	43
<u>The Advisory Agreement</u>	44
<u>Shareholdings</u>	46
<u>Affiliated Companies</u>	47
<u>Management Decisions</u>	49
<u>Management Compensation</u>	49
<u>Stock Ownership</u>	53
<u>Conflicts of Interest</u>	54
<u>Interests in Other Real Estate Programs</u>	54
<u>Other Activities of Wells Capital and its Affiliates</u>	55
<u>Competition</u>	55
<u>Affiliated Dealer Manager</u>	56
<u>Affiliated Property Manager</u>	56
<u>Lack of Separate Representation</u>	56
<u>Joint Ventures with Affiliates of Wells Capital</u>	56
<u>Receipt of Fees and Other Compensation by Wells Capital and its Affiliates</u>	56
<u>Certain Conflict Resolution Procedures</u>	57
<u>Investment Objectives and Criteria</u>	58
<u>General</u>	58
<u>Acquisition and Investment Policies</u>	59
<u>Development and Construction of Properties</u>	61
<u>Terms of Leases and Tenant Creditworthiness</u>	61
<u>Joint Venture Investments</u>	62
<u>Section 1031 Exchange Program</u>	63
<u>Borrowing Policies</u>	64
<u>Disposition Policies</u>	65
<u>Investment Limitations</u>	65
<u>Change in Investment Objectives and Limitations</u>	67

Table of Contents

<u>Description of Real Estate Investments</u>	67
<u>General</u>	67
<u>Joint Ventures with Affiliates</u>	71
<u>Description of Properties</u>	74
<u>Property Management Fees</u>	99
<u>Real Estate Loans</u>	99
<u>Selected Financial Data</u>	101
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	101
<u>General</u>	101
<u>Liquidity and Capital Resources</u>	102
<u>Cash Flows From Operating Activities</u>	102
<u>Cash Flow From Investing Activities</u>	103
<u>Cash Flows From Financing Activities</u>	103
<u>Results of Operations</u>	103
<u>Property Operations</u>	104
<u>Funds From Operations</u>	105
<u>Inflation</u>	106
<u>Critical Accounting Policies</u>	106
<u>Straight-Lined Rental Revenues</u>	107
<u>Operating Cost Reimbursements</u>	107
<u>Real Estate</u>	107
<u>Deferred Project Costs</u>	107
<u>Deferred Offering Costs</u>	107
<u>Prior Performance Summary</u>	108
<u>Publicly Offered Unspecified Real Estate Programs</u>	109
<u>Federal Income Tax Considerations</u>	117
<u>General</u>	117
<u>Requirements for Qualification as a REIT</u>	119
<u>Failure to Qualify as a REIT</u>	124
<u>Sale-Leaseback Transactions</u>	124
<u>Taxation of U.S. Stockholders</u>	124
<u>Treatment of Tax-Exempt Stockholders</u>	126
<u>Special Tax Considerations for Non-U.S. Stockholders</u>	127
<u>Statement of Stock Ownership</u>	129
<u>State and Local Taxation</u>	129
<u>Tax Aspects of Our Operating Partnership</u>	129
<u>ERISA Considerations</u>	132
<u>Plan Asset Considerations</u>	134
<u>Other Prohibited Transactions</u>	135
<u>Annual Valuation</u>	136
<u>Description of Shares</u>	137
<u>Common Stock</u>	137
<u>Preferred Stock</u>	137
<u>Meetings and Special Voting Requirements</u>	137
<u>Restriction on Ownership of Shares</u>	138
<u>Dividends</u>	139
<u>Dividend Reinvestment Plan</u>	140
<u>Share Redemption Program</u>	141
<u>Restrictions on Roll-Up Transactions</u>	142
<u>Business Combinations</u>	143
<u>Control Share Acquisitions</u>	143

Table of Contents

<u>The Operating Partnership Agreement</u>	143
<u>General</u>	143
<u>Capital Contributions</u>	144
<u>Operations</u>	144
<u>Exchange Rights</u>	145
<u>Transferability of Interests</u>	145
<u>Plan of Distribution</u>	146
<u>General</u>	146
<u>Underwriting Compensation and Terms</u>	146
<u>Subscription Procedures</u>	150
<u>Supplemental Sales Material</u>	151
<u>Legal Opinions</u>	152
<u>Experts</u>	152
<u>Changes in Principal Accountant</u>	152
<u>Audited Financial Statements</u>	152
<u>Unaudited Financial Statements</u>	153
<u>Additional Information</u>	153
<u>Glossary</u>	153
<u>Financial Statements</u>	154
<u>Prior Performance Tables</u>	210
<u>Subscription Agreement</u>	Exhibit A
<u>Amended and Restated Dividend Reinvestment Plan</u>	Exhibit B

Table of Contents

QUESTIONS AND ANSWERS ABOUT THIS OFFERING

Below we have provided some of the more frequently asked questions and answers relating to an offering of this type. Please see the Prospectus Summary and the remainder of this prospectus for more detailed information about this offering.

Q: What is a REIT?

A: In general, a REIT is a company that:

combines the capital of many investors to acquire or provide financing for real estate properties;

pays dividends to investors of at least 90% of its taxable income;

avoids the double taxation treatment of income that would normally result from investments in a corporation because a REIT is not generally subject to federal corporate income taxes on its net income, provided certain income tax requirements are satisfied; and

allows individual investors to invest in a large-scale diversified real estate portfolio through the purchase of interests, typically shares, in the REIT.

Q: What is Wells Real Estate Investment Trust, Inc.?

A: Wells Real Estate Investment Trust, Inc. is a non-traded REIT formed with the intent to provide investors the potential for income and growth through the acquisition and operation of high-grade commercial office and industrial buildings leased long-term to high net worth companies (typically having a minimum net worth of \$100,000,000). The Wells REIT was incorporated in the State of Maryland in 1997.

Q: Who will choose which real estate properties to invest in?

A: Wells Capital, Inc. (Wells Capital) is the advisor to the Wells REIT and, as such, manages our daily affairs and makes recommendations on all property acquisitions to our board of directors. Our board of directors must approve all of our property acquisitions.

Q: Who is Wells Capital?

A: Wells Capital, as our advisor, provides investment advisory and management, marketing, sales and client services on our behalf. Wells Capital was incorporated in the State of Georgia in 1984. As of June 30, 2002, Wells Capital had sponsored public real estate programs which have raised in excess of \$1,795,000,000 from approximately 65,000 investors and which own and operate a total of 78 commercial real estate properties.

Table of Contents**Q: What are the specific criteria Wells Capital uses when selecting a potential property acquisition?**

A: Wells Capital generally seeks to acquire high quality office and industrial buildings located in densely populated metropolitan markets on an economically triple-net basis leased to large companies having a net worth in excess of \$100,000,000. Current tenants of public real estate programs sponsored by Wells Capital include The Coca-Cola Company, State Street Bank, AT&T, Siemens Automotive, PricewaterhouseCoopers, Novartis and SYSCO Corporation.

To find properties that best meet our selection criteria for investment, Wells Capital's property acquisition team studies regional demographics and market conditions and interviews local brokers to gain the practical knowledge that these studies sometimes lack. An experienced commercial construction engineer inspects the structural soundness and the operating systems of each building, and an environmental firm investigates all environmental issues to ensure each property meets our quality specifications.

Q: How many real estate properties do you currently own?

A: As of July 1, 2002, we had acquired and owned interests in 53 real estate properties, all of which were 100% leased to tenants. We own the following properties directly:

<u>Property Name</u>	<u>Tenant</u>	<u>Building Type</u>	<u>Location</u>
ISS Atlanta	Internet Security Systems, Inc.	Office Buildings	Atlanta, GA
MFS Phoenix	Massachusetts Financial Services Company	Office Building	Phoenix, AZ
TRW Denver	TRW, Inc.	Office Building	Aurora, CO
Agilent Boston	Agilent Technologies, Inc.	Office Building	Boxborough, MA
Experian/TRW	Experian Information Solutions, Inc.	Office Buildings	Allen, TX
BellSouth Ft. Lauderdale	BellSouth Advertising and Publishing Corporation	Office Building	Ft. Lauderdale, FL
Agilent Atlanta	Agilent Technologies, Inc. and Koninklijke Philips Electronics N.V.	Office Building	Alpharetta, GA
Travelers Express Denver	Travelers Express Company, Inc.	Office Buildings	Lakewood, CO
Dana Kalamazoo	Dana Corporation	Office and Industrial Building	Kalamazoo, MI
Dana Detroit	Dana Corporation	Office and Research and Development Building	Farmington Hills, MI
Novartis Atlanta	Novartis Ophthalmics, Inc.	Office Building	Duluth, GA
Transocean Houston	Transocean Deepwater Offshore Drilling, Inc. and Newpark Drilling Fluids, Inc.	Office Building	Houston, TX
Arthur Andersen	Arthur Andersen LLP	Office Building	Sarasota, FL
Windy Point I	TCI Great Lakes, Inc., The Apollo Group, Inc., and Global Knowledge Network, Inc.	Office Building	Schaumburg, IL
Windy Point II	Zurich American Insurance Company, Inc.	Office Building	Schaumburg, IL
Convergys	Convergys Customer Management Group, Inc.	Office Building	Tamarac, FL
Lucent	Lucent Technologies, Inc.	Office Building	Cary, NC
Ingram Micro	Ingram Micro L.P.	Distribution Facility	Millington, TN
Nissan	Nissan Motor Acceptance Corporation	Office Building	Irving, TX

Table of Contents

Property Name	Tenant	Building Type	Location
IKON	IKON Office Solutions, Inc.	Office Buildings	Houston, TX
State Street	SSB Realty LLC	Office Building	Quincy, MA
Metris Minnesota	Metris Direct, Inc.	Office Building	Minnetonka, MN
Stone & Webster	Stone & Webster, Inc. and SYSCO Corporation	Office Building	Houston, TX
Motorola Plainfield	Motorola, Inc.	Office Building	S. Plainfield, NJ
Delphi	Delphi Automotive Systems, Inc.	Office Building	Troy, MI
Avnet	Avnet, Inc.	Office Building	Tempe, AZ
Motorola Tempe	Motorola, Inc.	Office Building	Tempe, AZ
ASML	ASM Lithography, Inc.	Office and Warehouse Building	Tempe, AZ
Dial	Dial Corporation	Office Building	Scottsdale, AZ
Metris Tulsa	Metris Direct, Inc.	Office Building	Tulsa, OK
Cinemark	Cinemark USA, Inc. and The Coca-Cola Company	Office Building	Plano, TX
Videojet Technologies Chicago	Videojet Technologies, Inc.	Office, Assembly and Manufacturing Building	Wood Dale, IL
Alstom Power Richmond	Alstom Power, Inc.	Office Building	Midlothian, VA
Matsushita	Matsushita Avionics Systems Corporation	Office Building	Lake Forest, CA
PwC	PricewaterhouseCoopers	Office Building	Tampa, FL

We own interests in the following real estate properties through joint ventures with affiliates:

Property Name	Tenant	Building Type	Location
ADIC	Advanced Digital Information Corporation	Office Buildings	Parker, CO 1/8
AmeriCredit	AmeriCredit Financial Services Corporation	Office Building	Orange Park, FL
Comdata	Comdata Network, Inc.	Office Building	Brentwood, TN
AT&T Oklahoma	AT&T Corp. and Jordan Associates	Office Buildings	Oklahoma City, OK
Quest	Quest Software, Inc.	Office Building	Irvine, CA
Siemens	Siemens Automotive Corporation	Office Building	Troy, MI
Gartner	Gartner Group, Inc.	Office Building	Fort Myers, FL
Johnson Matthey	Johnson Matthey, Inc.	Research and Development, Office and Warehouse Building	Wayne, PA
Sprint	Sprint Communications Company L.P.	Office Building	Leawood, KS
EYBL CarTex	EYBL CarTex, Inc.	Manufacturing and Office Building	Fountain Inn, SC
Cort Furniture	Cort Furniture Rental Corporation	Office and Warehouse Building	Fountain Valley, CA
Fairchild	Fairchild Technologies U.S.A., Inc.		