CIM Commercial Trust Corp
Form PRE 14C
December 17, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934 (Amendment No.)

Check the appropriate box:

x	Preliminary Information Statement
o	Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))
o	Definitive Information Statement

CIM Commercial Trust Corporation

(Name of Registrant As Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

o	No fee required.
x	Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.
1)	Title of each class of securities to which transaction applies: Not applicable
2)	Aggregate number of securities to which transaction applies: Not applicable
3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): Not applicable
4)	Proposed maximum aggregate value of transaction: $1,170,272,000.00*
5)	Total fee paid: $141,836.97**
*	Estimated solely for purposes of calculating the amount of the filing fee in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended. The transaction value is the estimated aggregate gross consideration in cash expected to be received by CIM Commercial Trust Corporation in connection with the sale of certain of its assets as described herein.
**	The filing fee was calculated in accordance with Rule 0 11(c)(2) under the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory #1 for Fiscal Year 2019, issued August 24, 2018, by multiplying the transaction value by 0.0001212.
o	Fee paid previously with preliminary materials.
o	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
1)	Amount Previously Paid: $
2)	Form, Schedule or Registration Statement No.:
3)	Filing Party:

4)	Date Filed:

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CIM COMMERCIAL TRUST CORPORATION
17950 PRESTON ROAD, SUITE 600
DALLAS, TEXAS 75252

NOTICE OF STOCKHOLDER ACTION BY WRITTEN CONSENT

December , 2018

To our stockholders:

The Information Statement enclosed herewith has been filed with the Securities and Exchange Commission and is being furnished, pursuant to Section 14C of the Securities Exchange Act of 1934, as amended (the Exchange Act), to holders of shares of common stock, par value $0.001 per share (Common Stock), of CIM Commercial Trust Corporation (the Company, we or us).

The purpose of the Information Statement is to inform you that the Company has obtained the approval, by way of written consent in lieu of a meeting, of our principal stockholder, which owned 95.05% of the issued and outstanding shares of Common Stock as of the December 13, 2018 record date, of the sale of any or all of the properties of the Company listed in the immediately following sentence so long as the aggregate net proceeds from the sale(s) (excluding any property-level cash or restricted cash but after giving effect to any adjustments to the sale price of each property as any authorized officer of the Company determines customary or appropriate in these circumstances, including the settlement of any related property-level assets and liabilities, repayment, assumption, or defeasance of any related mortgage and the costs associated with such repayment, assumption or defeasance, and the costs and expenses incurred in connection with the sale(s)) are not less than 90% of the aggregate net asset value of the properties (determined as of September 30, 2018 on a fair value basis) that are sold (such sales, collectively, the Asset Sale). The properties included in the Asset Sale are 260 Townsend Street, 1333 Broadway, 1901 Harrison Street, 1 Kaiser Plaza, 2100 Franklin Street, 2101 Webster Street, 2353 Webster Street, 830 1st Street and 999 N Capitol Street. If all the properties that may be included in the Asset Sale are sold, based on information available to the Company as of the date hereof, the Company expects to receive aggregate net proceeds of approximately $690 million.

All necessary corporate approvals in connection with the Asset Sale have been duly obtained in accordance with the Maryland General Corporation Law and our charter and bylaws. As a result, no stockholder meeting will be held and no additional written consents will be sought by us. No dissenters rights will be afforded to our stockholders in connection with the Asset Sale.

WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE REQUESTED NOT TO SEND US A PROXY

No action is required of you. Pursuant to rules under the Exchange Act, the Asset Sale may not be effected until at least 20 days after the date the Information Statement has been mailed to our stockholders, which date of mailing is on or about December , 2018. There can be no assurance that the Asset Sale will be consummated in whole or in part.

Sincerely,

Charles E. Garner II
Chief Executive Officer

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CIM COMMERCIAL TRUST CORPORATION
17950 PRESTON ROAD, SUITE 600
DALLAS, TEXAS 75252

INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE REQUESTED NOT TO SEND US A PROXY

This Information Statement is being mailed or otherwise furnished to you by the board of directors (the Board of Directors) of CIM Commercial Trust Corporation (the Company, we, or us) to inform you that the Company has obtained the approval, by way of written consent in lieu of a meeting, of our principal stockholder (the Approving Stockholder) with respect to 41,627,739 shares of our common stock, par value $0.001 per share (Common Stock), as of December 13, 2018 (the Record Date), representing 95.05% of our then total issued and outstanding shares of Common Stock, of the sale of any or all of the properties of the Company listed in the immediately following sentence so long as the aggregate net proceeds from the sale(s) (excluding any property-level cash or restricted cash but after giving effect to any adjustments to the sale price of each property as any authorized officer of the Company determines customary or appropriate in these circumstances, including the settlement of any related property-level assets and liabilities, repayment, assumption, or defeasance of any related mortgage and the costs associated with such repayment, assumption or defeasance, and the costs and expenses incurred in connection with the sale(s)) are not less than 90% of the aggregate net asset value of the properties (determined as of September 30, 2018 on a fair value basis) that are sold (such sales, collectively, the Asset Sale). The properties included in the Asset Sale are 260 Townsend Street, 1333 Broadway, 1901 Harrison Street, 1 Kaiser Plaza, 2100 Franklin Street, 2101 Webster Street, 2353 Webster Street, 830 1st Street and 999 N Capitol Street. If all the properties that may be included in the Asset Sale are sold, based on information available to the Company as of the date hereof, the Company expects to receive aggregate net proceeds of approximately $690 million.

On December 4, 2018, our Board of Directors approved and declared advisable the Asset Sale and recommended that the Asset Sale be submitted for approval by the Approving Stockholder in accordance with the Maryland General Corporation Law (the MGCL) and our charter and bylaws. The Approving Stockholder, holding greater than a majority of the issued and outstanding shares of our Common Stock, has approved the Asset Sale by written consent in lieu of a meeting in accordance with the MGCL and Section 15 of Article II of our Bylaws.

Accordingly, all necessary corporate approvals in connection with the Asset Sale have been duly obtained. As a result, no stockholder meeting will be held and no additional written consents will be sought by us. No dissenters rights will be afforded to our stockholders in connection with the Asset Sale.

We are not asking you for a proxy and you are requested not to send us a proxy.

This Information Statement is being furnished solely for the purpose of informing the stockholders of the Company, in the manner prescribed under the Securities Exchange Act of 1934, as amended (the Exchange Act), of this corporate actions before it takes effect. Pursuant to rules under the Exchange Act, the Asset Sale may not be effected until at least 20 days after the date the Information Statement has been mailed to our stockholders. This Information Statement is first being mailed on or about December , 2018 to the holders of record of shares of Common Stock at the close of business on the Record Date. There can be no assurance that the Asset Sale will be consummated in whole or in part.

This Information Statement is dated December , 2018.

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SUMMARY TERM SHEET

The following is a brief summary of certain information contained elsewhere in this Information Statement, including the Annexes to this Information Statement. Reference is made to, and this summary is qualified in its entirety by, the more detailed information contained in this Information Statement and in the Annexes to this Information. You are urged to read this Information Statement and the Annexes to this Information Statement in their entirety.

The Asset Sale

- *Properties to be Sold*. The properties that may be included in the Asset Sale are 260 Townsend Street, 1333 Broadway, 1901 Harrison Street, 1 Kaiser Plaza, 2100 Franklin Street, 2101 Webster Street, 2353 Webster Street, 830 1st Street and 999 N Capitol Street. For further information, refer to The Asset Sale Properties to be Sold in this Information Statement.

- *Sale Price*. The Company is authorized to sell any or all of the properties in the Asset Sale so long as the aggregate net proceeds from the sale(s) (excluding any property-level cash or restricted cash but after giving effect to any adjustments to the sale price of each property as any authorized officer of the Company determines customary or appropriate in these circumstances, including the settlement of any related property-level assets and liabilities, repayment, assumption, or defeasance of any related mortgage and the costs associated with such repayment, assumption or defeasance, and the costs and expenses incurred in connection with the sale(s)) are not less than 90% of the aggregate net asset value of the properties (determined as of September 30, 2018 on a fair value basis) that are sold. If all the properties that may be included in the Asset Sale are sold, based on information available to the Company as of the date hereof, the Company expects to receive aggregate net proceeds of approximately $690 million.

- *Purchase and Sale Agreements*. We have actively marketed all properties expected to be sold in the Asset Sale. The Company has not entered into any definitive agreement with respect to the Asset Sale. There can be no assurance that the Asset Sale will be consummated, whether in whole or in part. Each of the Board of Directors and the Approving Stockholder has approved the sale of the properties described in this Information Statement at the aggregate purchase price described above, with all other terms to be negotiated by management of the Company.

- *Federal Income Tax Consequences of the Asset Sale*. The expected federal income tax consequences of the Asset Sale to the Company are described in The Asset Sale Certain Federal Income Tax Consequences in this Information Statement.

- For further information regarding the Asset Sale, refer to The Asset Sale in this Information Statement.

No Appraisal Rights

Under the MGCL and the Company s charter and bylaws, the stockholders have no dissenters rights with respect to the Asset Sale. See No Appraisal Rights in this Information Statement.

Where You Can Find More Information

We are subject to the reporting requirements of the Exchange Act. In accordance with the Exchange Act, we are required to file periodic reports, proxy statements and other information with the Securities and Exchange Commission (the SEC) relating to our business, financial condition and other matters. See Where You Can Find More Information in this Information Statement for additional information regarding our reporting obligations.

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Information Statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act, including a description of certain potential events. You can identify these statements by the fact that they do not relate strictly to historical or current facts or discuss the business and affairs of the Company on a prospective basis. Further, statements that include words such as may, will, project, might, expect, target, believe, anticipate, intend, could, would, estimate, potential, forecast, seek, plan, or should or the negative or other words or expressions of similar meaning, may identify forward-looking statements.

The Company bases these forward-looking statements on particular assumptions that it has made in light of its experience, as well as its perception of expected future developments and other factors that it believes are appropriate under the circumstances. These forward-looking statements are necessarily estimates reflecting the judgment of the Company and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.

As you read and consider the information herein, you are cautioned to not place undue reliance on these forward-looking statements. These statements are not guarantees of performance or results and speak only as of the date hereof. These forward-looking statements involve risks, uncertainties and assumptions. In light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking statements contained herein will in fact transpire. New factors emerge from time to time, and it is not possible for us to predict all of them. Nor can we assess the impact of each such factor or the extent to which any factor, or combination of factors may cause results to differ materially from those contained in any forward-looking statement. We undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

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ABOUT THE COMPANY

Company Overview

CIM Commercial Trust Corporation is a Maryland corporation and real estate investment trust (REIT). Our principal business is to acquire, own, and operate Class A and creative office assets in vibrant and improving urban communities throughout the United States. These communities are located in areas that include traditional downtown areas and suburban main streets, which have high barriers to entry, high population density, improving demographic trends and a propensity for growth. We believe that the critical mass of redevelopment in such areas creates positive externalities, which enhance the value of substantially stabilized assets in the area. We believe that these assets will provide greater returns than similar assets in other markets as a result of the improving demographics, public commitment, and significant private investment that characterize these areas.

We are operated by affiliates of CIM Group, L.P. (CIM Group). CIM Group is a vertically-integrated owner and operator of real assets with multi-disciplinary expertise and in-house research, acquisition, credit analysis, development, finance, leasing, and property management capabilities. CIM Group is headquartered in Los Angeles, California and has offices in Oakland, California; Bethesda, Maryland; Dallas, Texas; New York, New York; Chicago, Illinois; and Phoenix, Arizona.

If the potential recapitalization of the Company, as described below in Potential Recapitalization, is completed, while we would remain principally focused on Class A and creative office assets (including improving and developing such assets), we may also participate more actively in other CIM Group urban real estate strategies and product types in order to broaden our participation in CIM Group s platform and capabilities for the benefit of all classes of stockholders. This may include investing in other urban product types directly, side-by-side with one or more funds of CIM Group, through direct deployment of capital in a CIM Group real estate or debt fund, or deploying capital in or originating loans that are secured directly or indirectly by properties primarily located in Qualified Communities that meet our strategy. Such loans may include limited and or non-recourse junior (mezzanine, B-note or 2nd lien) and senior acquisition, bridge or repositioning loans.

As of September 30, 2018, our real estate portfolio consisted of 21 assets, all of which are fee-simple properties. As of September 30, 2018, our 19 office properties (including one parking garage and two development sites, one of which is being used as a parking lot), totaling approximately 3.4 million rentable square feet, were 93.6% occupied and one hotel with an ancillary parking garage, which has a total of 503 rooms, had revenue per available room (RevPAR) of $134.14 for the nine months ended September 30, 2018.

Our Common Stock is currently traded on the Nasdaq Global Market (Nasdaq) and on the Tel Aviv Stock Exchange (the TASE), in each case under the ticker symbol CMCT. Our Series L preferred stock, par value $0.001 per share (Series L Preferred Stock), is currently traded on Nasdaq and on the TASE, in each case under the ticker symbol CMCTP. We have authorized for issuance 900,000,000 shares of common stock and 100,000,000 shares of preferred stock (Preferred Stock).

Our principal executive offices are located at 17950 Preston Road, Suite 600, Dallas, Texas 75252 and our telephone number is (972) 349-3200.

Potential Recapitalization

The Asset Sale represents a part of a broader plan of recapitalization that the Company is exploring with the purpose of, among other things, unlocking embedded value, enhancing growth prospects and improving the trading liquidity of its Common Stock. The potential recapitalization is expected to involve the Asset Sale, the Potential Repayment (as defined below), the Potential Return of Capital Event (as defined below) and the Potential CIM REIT Liquidation (as defined below) (collectively, the Potential Recapitalization). There can be no guarantee that any of the transactions described herein will occur or, if any or all of them occur, that they will occur in the form currently contemplated. If any or all of the transactions described herein occur, the financial information reported in this Information Statement may not necessarily be indicative of future operating results or operating conditions.

Repayment of Certain Indebtedness. If the Asset Sale occurs, we may use a portion of the net proceeds from the Asset Sale to repay balances on certain of the Company s indebtedness (the Potential Repayment).

Return of Capital to Holders of Common Stock. The net proceeds from the Asset Sale remaining following the Potential Repayment, as well as a portion of our unrestricted cash balances, may be used to return capital to holders of our Common Stock for consideration approximating our net asset value (NAV) per share of Common Stock, after certain adjustments (as described in Unaudited Pro Forma Consolidated Financial Information in this Information Statement), in one

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or more transactions, which may take the form of a special dividend, private repurchase or tender offer (collectively the Potential Return of Capital Event).

CIM REIT Liquidation. As of December 17, 2018, CIM Urban REIT, LLC, a fund operated by affiliates of CIM Group (CIM REIT), beneficially owns 95.05% of our outstanding Common Stock. We have been informed that, if the Asset Sale and Potential Return of Capital Event occur, CIM Group intends to liquidate CIM REIT by distributing to its members, consisting of 27 institutional investors, all shares of our Common Stock then held by CIM REIT (the Potential CIM REIT Liquidation). We expect that such distribution, if it occurs, will increase our public float to approximately 98% (from approximately 4% today), which is expected to improve trading volume over time and make our Common Stock eligible for inclusion in several indices.

Preferred Stock. The Company believes that there will be more clarity to the makeup of the Company s portfolio, the aggregate sale price in any asset sales and the trading price of the Company s common stock relative to its NAV following the Potential Recapitalization. The Company has met and consulted with certain holders of the Preferred Stock as it considers such engagement to be important and expects to continue to provide updates at significant milestones during the Potential Recapitalization process. Following the Potential Recapitalization, the Company intends to finalize any alternatives for its preferred stockholders with terms that the Company believes holders will then find satisfactory.

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AUTHORITY TO CONSUMMATE THE ASSET SALE

Under the MGCL and the Company s charter and bylaws, at a meeting of the stockholders at which a quorum is present, the affirmative vote of the holders of a majority of the outstanding shares of Common Stock is necessary to authorize the Asset Sale. Under the MGCL and the Company s charter and bylaws, any action that can be taken at an annual or special meeting of stockholders may be taken without a meeting if the action is advised, and submitted to the stockholders for approval, by the Board of Directors and a consent in writing or by electronic transmission of stockholders entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting of stockholders (at which all shares entitled to vote thereon were present and voted) is delivered to the Company in accordance with the MGCL. The Company must give notice of any action taken by less than unanimous consent to each stockholder not later than 10 days after the effective time of such action. A written consent in favor of the Asset Sale has been received from the Approving Stockholder, which held the requisite voting power as of the Record Date to approve the Asset Sale. As a result, the Asset Sale has been approved and its consummation requires no additional stockholder vote.

Authorization by the Board of Directors

On December 4, 2018, our Board of Directors approved and declared advisable the Asset Sale and recommended that the Asset Sale be submitted for stockholder approval by written consent.

Approving Stockholder

The Approving Stockholder owned 41,627,739 shares of Common Stock as of the Record Date. On the Record Date, there were 43,795,073 shares of Common Stock issued and outstanding. Therefore, the shares owned by the Approving Stockholder represent 95.05% of our total issued and outstanding Common Stock. Each share of Common Stock entitles the holder to one vote per share. On December 17, 2018, the Approving Stockholder voted all of its shares of Common Stock by written consent in favor of the Asset Sale.

Accordingly, the Company has obtained all necessary corporate approvals in connection with the Asset Sale. The Company is not seeking written consent from any other stockholders, and the other stockholders will not be given an opportunity to vote with respect to the actions described in this Information Statement.

NO APPRAISAL RIGHTS

Stockholders are not entitled to exercise any rights of an objecting stockholder under Title 3, Subtitle 2 of the MGCL or any successor statute in connection with the Asset Sale. No further dissenters rights applicable to the Asset Sale are provided by the MGCL or the Company s governing documents. As a result, no stockholder is entitled to appraisal of its shares in connection with the Asset Sale.

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THE ASSET SALE

Properties to be Sold

The Asset Sale will involve the sale of any or all of the below properties.

Property	Market	Sub-Market	Office and Retail Rentable Square Feet	% Occupied	Annualized Rent Per Occupied Square Foot (1)
Office					
1 Kaiser Plaza	Oakland, CA	Lake Merritt	535,324	93.7%	$ 41.51
2101 Webster Street	Oakland, CA	Lake Merritt	471,337	99.0%	$ 41.45
999 N Capitol Street	Washington, D.C.	Capitol Hill	315,983	90.1%	$ 46.80
1901 Harrison Street	Oakland, CA	Lake Merritt	280,610	81.9%	$ 45.25
1333 Broadway	Oakland, CA	City Center	251,155	94.3%	$ 42.16
830 1st Street	Washington, D.C.	Capitol Hill	247,337	100.0%	$ 43.88
2100 Franklin Street	Oakland, CA	Lake Merritt	216,828	98.9%	$ 41.82
260 Townsend Street	San Francisco, CA	South of Market	66,682	100.0%	$ 73.54
Parking Garage					
2353 Webster Street Parking Garage	Oakland, CA	Lake Merritt	N/A	N/A	N/A

(1) Represents gross monthly base rent, as of September 30, 2018, multiplied by twelve. The amount reflects total cash rent before abatements. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursement to base rent.

Sale Price

The Company is authorized to sell any or all of the properties in the Asset Sale so long as the aggregate net proceeds from the sale(s) (excluding any property-level cash or restricted cash but after giving effect to any adjustments to the sale price of each property as any authorized officer of the Company determines customary or appropriate in these circumstances, including the settlement of any related property-level assets and liabilities, repayment, assumption, or defeasance of any related mortgage and the costs associated with such repayment, assumption or defeasance, and the costs and expenses incurred in connection with the sale(s)) are not less than 90% of the aggregate net asset value of the properties (determined as of September 30, 2018 on a fair value basis) that are sold.

If all the properties that may be included in the Asset Sale are sold, based on information available to the Company as of the date hereof, the Company expects to receive aggregate net proceeds of approximately $690 million.

Purchase and Sale Agreements

We have actively marketed all properties expected to be sold in the Asset Sale. The Company has not entered into any definitive agreement with respect to the Asset Sale. There can be no assurance that the Asset Sale will be consummated, whether in whole or in part. Each of the Board of Directors and the Approving Stockholder has approved the sale of the properties described in this Information Statement at the aggregate purchase price described above, with all other terms to be negotiated by management of the Company.

Each purchase and sale agreement (PSA) is expected to specify a purchase price for the underlying property (or properties), subject to specified adjustments for costs and prorations customary for the locality in which such property is situated. Each buyer is expected to deposit for the benefit of the Company either a refundable cash deposit or a non-refundable cash deposit at the time of execution of the PSA for a customary portion of the sale price. Many of the PSAs are expected to stipulate a due diligence period following the execution of the agreement, during which the buyer thereunder is expected to have the right to examine and investigate all aspects of the subject property. For many of the PSAs, during the due diligence period, the buyer thereunder is expected to have the right to terminate the PSA without penalty for any reason or no reason. For many of the PSAs, if the buyer does not terminate the PSA within the due diligence period, the buyer s initial deposit is expected to become non-refundable.

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Each PSA is expected to contain customary representations and warranties, covenants and closing conditions. Each PSA is expected to include a condition that the sale not be consummated unless and until 20 days has elapsed since the mailing to our stockholders of a definitive Information Statement with respect to the sale of the property (which may be part of a sale of a larger group of properties) that we reasonably believe complies with the requirements of Regulation 14C of the Exchange Act.

Each PSA is expected to provide that if the Company breaches or defaults on its obligations thereunder after the due diligence period but prior to closing of the transaction and such breach or default remains uncured for the period specified in the PSA, the buyer may terminate the PSA and receive its initial deposit (unless such buyer s damages as a result of any representations or warranties being untrue, inaccurate or incorrect are or would be, in the aggregate, less than a specified threshold, in which case the buyer shall nevertheless be deemed to, and shall, waive such misrepresentations or breaches of warranty and shall consummate the transactions contemplated by the PSA, in most cases without any reduction of or credit against the purchase price).

We will be responsible for the fees of our brokers in connection with the sales of properties sold in the Asset Sale.

We do not expect that any purchaser or transferee of any property sold in the Asset Sale, or any of their respective affiliates, will have any material relationship to the Company or its affiliates. Nor do we expect that any purchaser or transferee, or any of their executive officers, directors, controlling persons or subsidiaries, will have or be expected to enter into any material agreement, arrangement or understanding with the Company or any of its executive officers, directors, controlling persons or subsidiaries. Additionally, we do not expect that any director or officer of the Company, or any of their respective affiliates, will have any substantial interest in the Asset Sale, other than by means of their interests in the Company as described in Security Ownership of Certain Beneficial Owners and Management in this Information Statement.

Approval of the Asset Sale

As described in Authority to Consummate the Asset Sale in this Information Statement, each of the Board of Directors and the Approving Stockholder has approved the sale of all or a portion of the properties set forth in Properties to be Sold in accordance with the terms regarding price set forth in Sale Price in this Information Statement, with all other terms to be negotiated by management of the Company.

The Company has broadly marketed each of the properties that may be sold in the Asset Sale. All negotiations have occurred and will continue to occur on an arm s length basis.

The Board of Directors believes the Asset Sale, as part of a broader plan of recapitalization of the Company, is in the best interests of the Company. The Board of Directors is exploring the recapitalization plan with the purpose of, among other things, unlocking embedded value, enhancing growth prospects and improving trading liquidity of the Common Stock. For further information regarding the potential recapitalization, see About the Company Potential Recapitalization in this prospectus.

Use of Proceeds

Proceeds received from the Asset Sale may be used to consummate the Potential Repayment and, together with a portion of the then available cash balances of the Company, to consummate the Potential Return of Capital Event.

Accounting Treatment

The Asset Sale will be accounted for by derecognizing the assets acquired and liabilities assumed by the buyer of each property being sold, which will result in a decrease to the Investments in real estate, net line item on our consolidated balance sheet, and may also result in decreases to one or more of the following line items on our consolidated balance sheet: Restricted cash, Accounts receivable, net, Deferred rent receivable and charges, net, Other intangible assets, net, Other assets, Debt, net, Accounts payable and accrued expenses, Due to related parties, and liabilities. Additionally, the proceeds from the Asset Sale will be recognized as an increase in Cash and cash equivalents on our consolidated balance sheet. The Asset Sale will also result in the recognition of a gain or loss related to each property that is sold, which will be reflected in the Gain (loss) on sale of real estate line item on our consolidated statement of operations.

Certain Federal Income Tax Consequences

The following discussion is a general summary of the anticipated material U.S. federal income tax consequences to the Company of the Asset Sale. The following discussion is based upon the Internal Revenue Code (the Code), its legislative history, currently applicable and proposed Treasury Regulations under the Code and published rulings and decisions, all as currently in effect as of the date of this Information Statement, and all of which are subject to change, possibly with retroactive effect. Tax consequences under state, local and non-U.S. laws, or federal laws other than those pertaining to income tax, are not addressed in this Information Statement. No rulings have been requested or received from the Internal Revenue Service (the IRS) as to the tax consequences of the Asset Sale and there is no intent to seek any such ruling. Accordingly, no assurance can be given that the IRS will not challenge the tax treatment of the Asset Sale discussed below or, if the IRS does challenge the tax treatment, that the IRS will not be successful.

The Asset Sale will be treated for U.S. federal income tax purposes as a transaction upon which we will recognize gain or loss. The amount of gain or loss we recognize with respect to the sale of a particular asset will be measured by the difference between the amount realized by us on the sale of that asset and our tax basis in that asset.

So long as we remain qualified as a REIT, we expect to be able to deduct our distributions to our stockholders treated as dividends for U.S. federal income tax purposes (to the extent of our earnings and profits, calculated without reduction for capital losses) in computing our taxable income for the taxable years in which we make distributions. We expect to distribute a dividend to our stockholders (or to engage in stock repurchase transactions treated as dividends for U.S. federal income tax purposes) in an amount at least equal to the amount of gain recognized on the Asset Sale. Accordingly, we do not expect to be subject to U.S. federal corporate income tax on any gain recognized on the Asset Sale. Should we lose our REIT status, we would be subject to U.S. federal corporate income tax on our taxable income and gain from operations and sales for the taxable year in which our qualification as a REIT terminates and any subsequent years, without deduction for distributions made to our stockholders.

So long as we remain qualified as a REIT, any net gain that we realize from prohibited transactions will be subject to a 100% tax. Prohibited transactions are sales of property held primarily for sale to customers in the ordinary course of a trade or business. Whether a real estate asset is property held primarily for sale to customers in the ordinary course of a trade or business is a highly factual determination. We believe that our properties are held for investment and the production of rental income, and that the Asset Sale will not give rise to any prohibited transactions. However, we cannot assure you that the IRS will not successfully challenge our position for purposes of applying the 100% tax.

Golden Parachute Compensation

To the best of our knowledge, there is no agreement or understanding, whether written or unwritten, between any named executive officer and any potential buyer of properties included in the Asset Sale concerning any type of compensation, whether present, deferred or contingent, that is based on or otherwise relates to the Asset Sale.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Outstanding Voting Securities

As of the Record Date, there were 43,795,073 shares of Common Stock issued and outstanding. The Common Stock constitutes the only issued and outstanding class of voting securities of the Company. Each share of Common Stock entitles the holder thereof to one vote on all matters submitted to stockholders. The written consent of a majority of the issued and outstanding shares of Common Stock was necessary to authorize the Asset Sale.

Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Our Directors and Executive Officers

The following table sets forth information regarding the beneficial ownership of our Common Stock, Series A preferred stock, par value $0.001 per share (Series A Preferred Stock) and Series L Preferred Stock as of December 13, 2018 by (1) each named executive officer, (2) each current director and (3) all executive officers and directors as a group.

	Common Stock		Series A Preferred Stock		Series L Preferred Stock	
Name of Beneficial Owner (1)	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**
Charles E. Garner II	9,779	*	20,000	0.75%		
Jan F. Salit	52,601(2)	*				
David Thompson						
Richard Ressler	42,012,342(3)	95.93%				
Avi Shemesh	41,997,296(3)	95.90%				
Shaul Kuba	41,997,296(3)	95.90%				
Kelly Eppich	5,163	*				
Douglas Bech	18,965	*				
Robert Cresci	14,206	*				
Frank Golay, Jr.	13,965	*				
Directors and Executive Officers as a group (10 persons)	**42,127,021**	**96.19%**	**20,000**	**0.75%**		

* Less than 1%.

(1) The business address of Messrs. Garner, Salit, Bech, Cresci and Golay, for the purposes hereof, is c/o CIM Commercial Trust Corporation, 17950 Preston Road, Suite 600, Dallas, Texas 75252. The business address of

Messrs. Thompson, Ressler, Shemesh, Kuba and Eppich, for the purposes hereof, is c/o CIM Group, 4700 Wilshire Boulevard, Los Angeles, California 90010.

(2) Mr. Salit has sole voting and investment power over these shares, which include 122 shares held in an investment retirement account.

(3) CIM Group is the sole manager of CIM Urban Partners GP, LLC, which is the sole managing member of Urban Partners II, LLC, which has the power to vote and dispose of these shares. Shaul Kuba, Richard Ressler and Avi Shemesh may be deemed to beneficially own these shares by virtue of their positions with CIM Group, LLC. Messrs. Ressler, Shemesh and Kuba may also be deemed to beneficially own 353,944 shares owned by CIM Service Provider, LLC of which CIM Group, LLC is the sole managing member. Messrs. Ressler, Shemesh and Kuba have shared voting and investment power over all of these shares. Each of Messrs. Ressler, Shemesh and Kuba disclaims beneficial ownership of all of these shares except to the extent of his pecuniary interest therein.

Beneficial Owners of More than 5% of our Common Stock

The following table sets forth certain information regarding the beneficial ownership of our Common Stock, Series A Preferred Stock and Series L Preferred Stock based on filings with the SEC as of December 13, 2018 by each person known by us to beneficially own more than 5% of our Common Stock.

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	Common Stock		Series A Preferred Stock		Series L Preferred Stock	
Name and Address of Beneficial Owner(1)	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**
Urban Partners II, LLC c/o CIM Group 4700 Wilshire Boulevard Los Angeles, California 90010	41,627,739	95.05%				
Richard Ressler(1)	42,012,342(2)	95.93%				
Avi Shemesh(1)	41,997,296(2)	95.90%				
Shaul Kuba(1)	41,997,296(2)	95.90%				

(1) The business address of Messrs. Ressler, Shemesh and Kuba, for the purposes hereof, is c/o CIM Group, 4700 Wilshire Boulevard, Los Angeles, California 90010.

(2) CIM Group, LLC is the sole manager of CIM Urban Partners GP, LLC, which is the sole managing member of Urban Partners II, LLC, which has the power to vote and dispose of these shares. Shaul Kuba, Richard Ressler and Avi Shemesh may be deemed to beneficially own these shares by virtue of their positions with CIM Group, LLC. Messrs. Ressler, Shemesh and Kuba may also be deemed to beneficially own 353,944 shares owned by CIM Service Provider, LLC of which CIM Group, LLC is the sole managing member. Messrs. Ressler, Shemesh and Kuba have shared voting and investment power over all of these shares. Each of Messrs. Ressler, Shemesh and Kuba disclaims beneficial ownership of all of these shares except to the extent of his pecuniary interest therein.

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SELECTED FINANCIAL DATA

The following is a summary of our selected financial data as of and for the nine-month period ended September 30, 2018 and 2017 and each of the five years in the period ended December 31, 2017. You should read the following financial data in conjunction with the information set forth under Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the related notes thereto included in this Information Statement for the nine months ended September 30, 2018 and the years ended December 31, 2017, 2016 and 2015.

	Nine Months Ended September 30,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(in thousands, except per share data)						
Total revenues	$ 147,597	$ 183,632	$ 236,376	$ 265,931	$ 276,948	$ 262,827	$ 235,813
Total expenses	144,760	203,473	256,979	273,239	273,122	253,998	221,134
Bargain purchase gain						4,918	
Gain on sale of real estate		378,732	401,737	39,666	3,092		
Income from continuing operations before provision for income taxes	2,837	358,891	381,134	32,358	6,918	13,747	14,679
Provision for income taxes	795	1,193	1,376	1,646	806	604	
Net income from continuing operations	2,042	357,698	379,758	30,712	6,112	13,143	14,679
Net income from discontinued operations (1)				3,853	18,291	11,455	
Net income	2,042	357,698	379,758	34,565	24,403	24,598	14,679
Net income attributable to noncontrolling interests	(15)	(10)	(21)	(18)	(11)	(220)	(213)
Net income attributable to the Company	2,027	357,688	379,737	34,547	24,392	24,378	14,466
Redeemable preferred stock dividends accumulated	(9,456)		(1,436)				
Redeemable preferred stock dividends declared	(1,924)	(241)	(490)	(9)			
Redeemable preferred stock redemptions	3		2				
Net (loss) income attributable to common stockholders	$ (9,350)	$ 357,447	$ 377,813	$ 34,538	$ 24,392	$ 24,378	$ 14,466
Funds from operations attributable to common stockholders	$ 30,433	$ 37,279	$ 47,540	$ 66,840	$ 93,661	$ 93,425	$ 83,110
Common dividends (2)	$ 16,421	$ 32,854	$ 38,327	$ 77,316	$ 85,389	$ 85,048	$ 104,035
Common dividends per share (3)	$ 0.375	$ 0.469	$ 0.594	$ 0.875	$ 0.875	$ 0.875	$ 1.090
Weighted average shares of common stock outstanding (3)							
Basic	43,791	73,503	69,062	91,328	97,588	97,173	95,440
Diluted	43,791	73,503	69,070	91,328	97,588	97,176	95,440

(1) Net income from discontinued operations represents revenues and expenses from the parts of our lending segment acquired in March 2014 in connection with the Merger, which were discontinued during 2016 and 2015. On December 17, 2015, we sold substantially all of our commercial mortgage loans with a carrying value of $77,121,000

to an unrelated third-party and recognized a gain of $5,151,000. On December 29, 2016, we sold our commercial real estate lending subsidiary, which was classified as held for sale and had a carrying value of $27,587,000, which was equal to management s estimate of fair value, to a fund managed by an affiliate of CIM Group. We did not recognize any gain or loss in connection with the transaction. Management s estimate of fair value was determined with assistance from an independent third-party valuation firm.

(2) Dividends in 2017 do not include the special cash dividends that allowed the common stockholders that did not participate in the September 14, 2016, June 12, 2017 and December 18, 2017 private share repurchases to receive the economic benefit of such repurchases. Urban Partners II, LLC (Urban II), an affiliate of CIM REIT and CIM Urban Partners, L.P. (CIM Urban), waived its right to receive these special dividends as to its shares of our Common Stock owned as of the applicable record dates. Dividends in 2014 do not include PMC Commercial s pre-Merger dividends or the special dividend paid to PMC Commercial s stockholders; however, these amounts do include the dividends paid on the shares of preferred stock issued to Urban II in connection with the Merger on an as converted basis. Dividends in 2013 through

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March 11, 2014 represent distributions by CIM Urban in respect of its limited partnership interests. Dividends in the year ended December 31, 2013 include five distributions.

(3) Unaudited pro forma, as if the issuance of shares in connection with the Merger occurred on January 1, 2013.

	At September 30,		At December 31,				
	2018	2017	2017	2016	2015	2014	2013
				(in thousands)			
Total assets	$ 1,391,715	$ 1,591,304	$ 1,336,388	$ 2,022,884	$ 2,092,060	$ 2,088,902	$ 1,832,349
Debt	664,400	780,016	630,852	967,886	693,956	644,835	392,977
Redeemable preferred stock	43,145	12,976	27,924	1,426			
Equity	623,438	711,899	626,705	966,589	1,297,347	1,359,816	1,376,483

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The unaudited pro forma consolidated financial information has been derived from our historical audited consolidated statement of operations for the year ended December 31, 2017, and our historical unaudited consolidated balance sheet and consolidated statement of operations in each case as of and for the nine months ended September 30, 2018. The unaudited pro forma consolidated financial information has been prepared to reflect the following contemplated transactions:

- the Asset Sale;
- the Potential Repayment; and
- the Potential Return of Capital Event.

The unaudited pro forma consolidated balance sheet as of September 30, 2018 gives effect to the above transactions as if they had been consummated on September 30, 2018. The unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2018 and for the year ended December 31, 2017 give effect to the above transactions as if they had occurred on January 1, 2017, the beginning of the earliest period presented.

The Company has not entered into a definitive agreement with respect to any of the above transactions. There can be no assurance that any or all of the above transactions will occur, that the terms on which we engage in any or all of such transactions will be as currently anticipated or that the effects of any or all of such transactions set forth in the unaudited pro forma consolidated financial information will be realized. See Special Note Regarding Forward-Looking Statements in this Information Statement. The unaudited pro forma consolidated financial statements are based on assumptions and adjustments set forth in the accompanying notes. The pro forma adjustments are directly attributable to the transactions described above and are factually supportable based on the preliminary information available and assumptions that the Company considers reasonable at the time of preparation of this Information Statement.

The unaudited pro forma consolidated financial information is presented for illustrative purposes only in compliance with the disclosure requirements of the SEC and should not be considered indicative of the operating results or financial position of the Company had the transactions above been consummated on the dates indicated, nor should such information be considered indicative of the future operating results or financial position of the Company if the transactions described above are consummated. Actual results may be materially different than the pro forma information presented.

The unaudited pro forma consolidated financial statements and the accompanying notes should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in this Information Statement and the Company s historical audited consolidated financial statements for the year ended December 31, 2017 and the Company s historical unaudited consolidated financial statements for the period ended September 30, 2018, included in this Information Statement.

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CIM COMMERCIAL TRUST CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

As of September 30, 2018

(dollars in thousands, except per share data)

	Historical (A)	Adjustments for the Asset Sale (B)	Pro Forma Adjustments: Adjustments for the Potential Repayment (D)	Pro Forma Adjustments: Adjustments for the Potential Return of Capital Event (E)	Pro Forma
ASSETS					
Investments in real estate, net	$ 1,066,971	$ (526,880)	$	$	$ 540,091
Cash and cash equivalents	97,040	690,491	(86,712)	(690,300)	10,519
Restricted cash	21,524	(12,862)			8,662
Loans receivable, net	81,898				81,898
Accounts receivable, net	8,085	(4,135)			3,950
Deferred rent receivable and charges, net	86,337	(64,569)			21,768
Other intangible assets, net	10,684	(1,275)			9,409
Other assets	19,176	(4,553)	(3,288)		11,335
TOTAL ASSETS	$ 1,391,715	$ 76,217	$ (90,000)	$ (690,300)	$ 687,632
LIABILITIES, REDEEMABLE PREFERRED STOCK, AND EQUITY					
LIABILITIES:					
Debt, net	$ 664,400	$ (414,896)	$ (89,572)	$	$ 159,932
Accounts payable and accrued expenses	30,886	(17,426)			13,460
Intangible liabilities, net	3,351				3,351
Due to related parties	10,838	(2,389)			8,449
Other liabilities	15,657	(7,271)			8,386
Total liabilities	725,132	(441,982)	(89,572)		193,578
COMMITMENTS AND CONTINGENCIES					
REDEEMABLE PREFERRED STOCK:					
Series A, $0.001 par value; 36,000,000 shares authorized; 1,893,183 and 1,890,943 shares issued and outstanding, respectively, at September 30, 2018; liquidation preference of $25.00 per share, subject to adjustment	43,145				43,145
EQUITY:					
Series A cumulative redeemable preferred stock, $0.001 par value; 36,000,000 shares authorized; 568,921 and 566,176 shares issued and outstanding, respectively, at September 30, 2018; liquidation preference of $25.00 per share, subject to adjustment	44				44
Series L cumulative redeemable preferred stock, $0.001 par value; 9,000,000 shares authorized; 8,080,740 shares issued and	14,062				14,062

outstanding at September 30, 2018; liquidation preference of $28.37 per share, subject to adjustment					
Common stock, $0.001 par value; 900,000,000 shares authorized; 43,795,073 shares issued and outstanding at September 30, 2018; 13,755,891 shares issued and outstanding on a pro forma basis at September 30, 2018	229,251			(30)	229,221
Additional paid-in capital	791,773			(561,075)	230,698
Accumulated other comprehensive income	3,038		(3,038)		
Distributions in excess of earnings	(415,568)	518,388**(C)**	2,610	(129,195)	(23,765)
Total stockholders equity	622,600	518,388	(428)	(690,300)	450,260
Noncontrolling interests	838	(189)			649
Total equity	623,438	518,199	(428)	(690,300)	450,909
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK, AND EQUITY	$ 1,391,715	$ 76,217	$ (90,000)	$ (690,300)	$ 687,632

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CIM COMMERCIAL TRUST CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

Nine Months Ended September 30, 2018

(dollars in thousands, except per share data)

			Pro Forma Adjustments		
	Historical (F)	Adjustments for the Asset Sale (G)	Adjustments for the Potential Repayment (H)	Adjustments for the Potential Return of Capital Event (I)	Pro Forma
REVENUES:					
Rental and other property income	$ 103,479	$ (68,211)	$	$	$ 35,268
Hotel income	27,564				27,564
Expense reimbursements	7,089	(3,169)			3,920
Interest and other income	9,465	(425)			9,040
	147,597	(71,805)			75,792
EXPENSES:					
Rental and other property operating	59,238	(27,399)			31,839
Asset management and other fees to related parties	18,475	(7,537)			10,938
Interest	20,409	(13,315)	(1,997)		5,097
General and administrative	6,496	(782)			5,714
Transaction costs	359				359
Depreciation and amortization	39,783	(23,541)			16,242
Impairment of real estate					
	144,760	(72,574)	(1,997)		70,189
Gain on sale of real estate					
INCOME BEFORE PROVISION FOR INCOME TAXES	2,837	769	1,997		5,603
Provision for income taxes	795				795
NET INCOME	2,042	769	1,997		4,808
Net income attributable to noncontrolling interests	(15)	(12)			(27)
NET INCOME ATTRIBUTABLE TO THE COMPANY	2,027	757	1,997		4,781
Redeemable preferred stock dividends accumulated	(9,456)				(9,456)
Redeemable preferred stock dividends declared	(1,924)				(1,924)
Redeemable preferred stock redemptions	3				3
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (9,350)	$ 757	$ 1,997	$	$ (6,596)
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS PER SHARE:					
Basic	$ (0.21)				$ (0.48)
Diluted	$ (0.21)				$ (0.48)
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:					

Basic	43,791	13,749
Diluted	43,791	13,749

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CIM COMMERCIAL TRUST CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended December 31, 2017

(dollars in thousands, except for share price and per share data)

		Pro Forma Adjustments			
	Historical (J)	Adjustments for the Asset Sale (K)	Adjustments for the Potential Repayment (L)	Adjustments for the Potential Return of Capital Event (M)	Pro Forma
REVENUES:					
Rental and other property income	$ 166,587	$ (85,368)	$	$	$ 81,219
Hotel income	35,576				35,576
Expense reimbursements	16,646	(8,261)			8,385
Interest and other income	17,567	(6,034)			11,533
	236,376	(99,663)			136,713
EXPENSES:					
Rental and other property operating	101,585	(41,311)			60,274
Asset management and other fees to related parties	30,251	(9,008)			21,243
Interest	36,338	(17,794)	(3,004)		15,540
General and administrative	5,479	(372)			5,107
Transaction costs	11,862				11,862
Depreciation and amortization	58,364	(33,104)			25,260
Impairment of real estate	13,100				13,100
	256,979	(101,589)	(3,004)		152,386
Gain on sale of real estate	401,737				401,737
INCOME BEFORE PROVISION FOR INCOME TAXES	381,134	1,926	3,004		386,064
Provision for income taxes	1,376				1,376
NET INCOME	379,758	1,926	3,004		384,688
Net income attributable to noncontrolling interests	(21)	(17)			(38)
NET INCOME ATTRIBUTABLE TO THE COMPANY	379,737	1,909	3,004		384,650
Redeemable preferred stock dividends accumulated	(1,436)				(1,436)
Redeemable preferred stock dividends declared	(490)				(490)
Redeemable preferred stock redemptions	2				2
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 377,813	$ 1,909	$ 3,004	$	$ 382,726
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS PER SHARE:					
Basic	$ 5.47				$ 9.79
Diluted	$ 5.47				$ 9.79
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:					

Basic	69,062	39,105
Diluted	69,070	39,113

Notes to Pro Forma Consolidated Financial Information Pro Forma Adjustments

(A) Represents the Company s unaudited consolidated balance sheet as of September 30, 2018, included in this Information Statement.

(B) Represents the elimination of the assets and liabilities associated with the Asset Sale, with the exception of property-level cash, which is assumed to be retained by the Company, and, as applicable, property-level restricted cash, which is assumed to be converted to unrestricted cash upon sale and retained by the Company. These adjustments also include the net cash proceeds assumed to be received upon the closing of the Asset Sale, which have been estimated based on bids received by the Company from potential buyer(s), and a broker s opinion of value with respect to one asset, taking into account deductions for (1) any related mortgage debt on the properties (five mortgage loans are assumed to be defeased, one mortgage loan is assumed to be prepaid by the Company at closing, and one mortgage loan is assumed to be assumed by the buyer of the related property), (2) costs expected to be incurred in connection with the aforementioned defeasance of five mortgage loans (based on an estimate prepared by a third-party service provider), the prepayment of one mortgage loan (based on the applicable loan agreement), and no costs relating to the assumption by a potential buyer of the mortgage on one property, as such potential buyer is expected to pay for such costs, (3) estimated credits to the respective buyers, as applicable, for unpaid tenant improvement allowances, lease commissions, and free rent, based on such actual unpaid amounts as of September 30, 2018, as well as for lease agreements in negotiation and expected to be executed prior to the Asset Sale, (4) estimated selling expenses, which have been estimated based on expected broker fees, transfer taxes applicable to the location of the properties, and expenses expected to be incurred in connection with the Asset Sale, (5) with respect to one property, the share of the distributable proceeds payable to the noncontrolling interest in accordance with the limited partnership agreement of the owner of such property, and (6) changes to cash for settlement of property level other assets and liabilities. There can be no assurance that the Asset Sale will be consummated, whether in whole or in part. Actual proceeds could differ materially from those reflected herein.

(C) Represents the excess of the net cash proceeds, as described in (B) above, assumed to be received upon the closing of the Asset Sale over the carrying values, as of September 30, 2018, of the assets net of liabilities of the respective properties included in the Asset Sale. This amount has not been reflected in the pro forma consolidated statements of operations as it is considered to be nonrecurring in nature.

(D) Represents the Potential Repayment of $90,000,000 of certain of the Company s indebtedness, the elimination of deferred financing costs of $832,000 and related accumulated amortization of $404,000, a proportionate amount to the borrowings potentially being repaid, and the termination of the three interest rate swaps that effectively converted the floating rate on certain of the Company s indebtedness to a fixed rate. At September 30, 2018, our interest rate swaps had an aggregate fair value of $3,288,000 and such amount is included in other assets on our consolidated balance sheet. At September 30, 2018, $3,038,000 is included in accumulated other comprehensive income on our consolidated balance sheet related to our interest rate swaps. The potential termination of our interest rate swaps is assumed to result in an increase of $3,288,000 in cash. The pro forma adjustments do not reflect a breakage fee, as such fees have not been material historically.

(E) Represents the results of the Potential Return of Capital Event, assumed solely for the purpose of the pro forma adjustments to be in the form of a Common Stock buyback whose size is primarily dependent on the estimated net proceeds from the Asset Sale described in (B) above, net of the potential debt repayment described in (D) above. The estimated number of shares to be repurchased, canceled and retired of 30,039,182 was determined by assuming a buyback of shares in the amount of $690,000,000 divided by an estimated NAV per share of Common Stock of $22.97, which was calculated by reducing the estimated NAV per share of Common Stock as of June 30, 2018, or $24.29, primarily by transaction costs expected to be incurred in connection with the Asset Sale as described in (B) above, the Potential Return of Capital Event, and the difference between the face value and the carrying value of our debt and between the redemption value and carrying value of our redeemable preferred stock. We estimate fees and expenses associated with the Potential Return of Capital Event of $300,000 based on the actual fees and expenses incurred in similar transactions previously consummated. To the extent the actual sales proceeds from the Asset Sale differ from the estimated sales proceeds used herein, or the size of the Potential Return of Capital Event differs from that used herein, the magnitude of any Common Stock buyback and the number of shares bought back may differ materially from our assumptions used herein. The Potential Return of Capital Event may take the form of a special dividend, private repurchase or tender offer; however, the Company has not made a determination as to which form the Return of Capital Event will take. If the actual form of the Potential Return of Capital Event differs from the form assumed for purposes of calculating the pro forma adjustments here, the effects of the actual Potential Return of Capital Event may differ from what are described herein. The excess of the buyback price over par was allocated to additional paid-in-capital and distributions in excess of earnings, in accordance with ASC 505-30-30-8. The portion allocated to additional paid-in-capital was determined by applying a percentage, determined by dividing the number of shares to be canceled and retired by the number of shares issued and outstanding as of the assumed retirement date, to the balance of additional paid-in-capital as of the assumed retirement date.

(F) Represents the Company s unaudited consolidated statement of operations for the nine months ended September 30, 2018, included in this Information Statement.

(G) Represents the elimination of actual revenues and expenses associated with the Asset Sale. Reflects the impact to asset management fees assuming the Asset Sale occurred on January 1, 2017. Asset management fees are calculated as a percentage of the daily average gross fair value of investments.

(H) Represents the elimination of actual interest expense, including the impact of interest rate swaps, and the amortization of deferred loan costs assuming the Potential Repayment described in (D) above occurred on January 1, 2017.

(I) Represents the results of the Potential Return of Capital Event, assumed solely for the purpose of the pro forma adjustments to be in the form of a Common Stock buyback whose size is primarily dependent on the estimated net proceeds from the Asset Sale described in (B) above, net of the potential debt repayment described in (D) above. For purposes of the pro forma adjustment, the Potential Return of Capital Event is assumed to occur on January 1, 2017. The estimated number of shares to be repurchased, canceled and retired of 30,039,182 was determined by assuming a buyback of shares in the amount of $690,000,000 divided by an estimated NAV per share of Common Stock of $22.97, calculated as described in (E) above. To the extent the actual sales proceeds from the Asset Sale differ from the estimated sales proceeds used herein, or the size of the Potential Return of Capital Event differs from that used herein, the magnitude of any Common Stock buyback and the number of shares bought back may differ materially from our assumptions used herein. The Potential Return of Capital Event may take the form of a special dividend, private repurchase or tender offer; however, the Company has not made a determination as to which form the Return of Capital Event will take. If the actual form of the Potential Return of Capital Event differs from the form assumed for purposes of calculating the pro forma adjustments here, the effects of the actual Potential Return of Capital Event may differ from what are described herein.

(J) Represents the Company s audited consolidated statement of operations for the year ended December 31, 2017, included in this Information Statement. To conform to the presentation for the nine months ended September 30, 2018, hotel revenues, which were reported in rental and other property income in our audited consolidated statement of operations for the year ended December 31, 2017, have been presented as a separate financial statement line item. Additionally, redeemable preferred stock dividends accumulated, which were presented in Note 10 to our audited consolidated financial statements for the year ended December 31, 2017, are presented on the face of the income statement.

(K) Represents the elimination of actual revenues and expenses associated with the Asset Sale. Reflects the impact to asset management fees assuming the Asset Sale occurred on January 1, 2017. Asset management fees are calculated as a percentage of the daily average gross fair value of investments.

(L) Represents the elimination of actual interest expense, including the impact of interest rate swaps, and the amortization of deferred loan costs assuming the Potential Repayment described in (D) above occurred on January 1, 2017.

(M) Represents the results of the Potential Return of Capital Event, assumed solely for the purpose of the pro forma adjustments to be in the form of a Common Stock buyback whose size is primarily dependent on the estimated net proceeds from the Asset Sale described in (B) above, net of the potential debt repayment described in (D) above. For purposes of the pro forma adjustment, the Potential Return of Capital Event is assumed to occur on January 1, 2017. The estimated number of shares to be repurchased, canceled and retired of 30,039,182 was determined by assuming a buyback of shares in the amount of $690,000,000 divided by an estimated NAV per share of Common Stock of $22.97, calculated as described in (E) above. To the extent the actual sales proceeds from the Asset Sale differ from the estimated sales proceeds used herein, or the size of the Potential Return of Capital Event differs from that used herein, the magnitude of any Common Stock buyback and the number of shares bought back may differ materially from our assumptions used herein. The Potential Return of Capital Event may take the form of a special dividend, private repurchase or tender offer; however, the Company has not made a determination as to which form the Return of Capital Event will take. If the actual form of the Potential Return of Capital Event differs from the form assumed for purposes of calculating the pro forma adjustments here, the effects of the actual Potential Return of Capital Event may differ from what are described herein.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act and file with the SEC proxy statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, accessible to the public at www.sec.gov. We also make available through our website at http://shareholders.cimcommercial.com/sec-filings our annual reports, quarterly reports, current reports and other materials we file or furnish to the SEC as soon as reasonably practicable after we file such materials with the SEC.

STOCKHOLDERS SHARING AN ADDRESS

Only one Information Statement is being delivered to multiple security holders sharing an address. However, we undertake to deliver promptly, upon written or oral request, a separate copy of the Information Statement to a stockholder at a shared address to which a single copy of the Information Statement is delivered. A stockholder can notify us that the stockholder wishes to receive a separate copy of this Information Statement, or a future information statement, by written request directed to CIM Commercial Trust Corporation, Attn: Stockholder Relations, 17950 Preston Road, Suite 600, Dallas, Texas 75252. Our telephone number is (972) 349-3200. Likewise, stockholders sharing an address who are receiving multiple copies of this Information Statement and wish to receive a single copy of future information statements may notify us at the address and telephone number listed above.

ANNEX A: INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors

CIM Commercial Trust Corporation

Dallas, TX

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of CIM Commercial Trust Corporation (the Company) and subsidiaries as of December 31, 2017 and 2016, the related consolidated statements of operations and comprehensive income, stockholders equity, and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and schedules (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and subsidiaries at December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017**,** in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company s internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated March 12, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on the Company s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, LLP

We have served as the Company s auditor since 2014.

Los Angeles, CA

March 12, 2018

CIM COMMERCIAL TRUST CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

(In thousands, except share and per share data)

	December 31, 2017		December 31, 2016	
ASSETS				
Investments in real estate, net	$	957,725	$	1,606,942
Cash and cash equivalents		129,310		144,449
Restricted cash		27,008		32,160
Loans receivable, net		81,056		75,740
Accounts receivable, net		13,627		13,086
Deferred rent receivable and charges, net		84,748		116,354
Other intangible assets, net		6,381		17,623
Other assets		36,533		16,530
TOTAL ASSETS	$	1,336,388	$	2,022,884
LIABILITIES, REDEEMABLE PREFERRED STOCK, AND EQUITY				
LIABILITIES:				
Debt, net	$	630,852	$	967,886
Accounts payable and accrued expenses		26,394		39,155
Intangible liabilities, net		1,070		3,576
Due to related parties		8,814		10,196
Other liabilities		14,629		34,056
Total liabilities		681,759		1,054,869
COMMITMENTS AND CONTINGENCIES (Note 16)				
REDEEMABLE PREFERRED STOCK: Series A, $0.001 par value; 36,000,000 shares authorized; 1,225,734 and 1,224,712 shares issued and outstanding, respectively, at December 31, 2017 and 61,435 shares issued and outstanding at December 31, 2016; liquidation preference of $25.00 per share, subject to adjustment		27,924		1,426
EQUITY:				
Series A cumulative redeemable preferred stock, $0.001 par value; 36,000,000 shares authorized; 61,435 and 60,592 shares issued and outstanding, respectively, at December 31, 2017 and 0 shares issued and outstanding at December 31, 2016; liquidation preference of $25.00 per share, subject to adjustment		1,508		
Series L cumulative redeemable preferred stock, $0.001 par value; 9,000,000 and 0 shares authorized at December 31, 2017 and 2016, respectively; 8,080,740 and 0 shares issued and outstanding at December 31, 2017 and 2016, respectively; liquidation preference of $28.37 per share, subject to adjustment		229,251		
Common stock, $0.001 par value; 900,000,000 shares authorized; 43,784,939 and 84,048,081 shares issued and outstanding at December 31, 2017 and 2016, respectively		44		84
Additional paid-in capital		792,631		1,566,073
Accumulated other comprehensive income (loss)		1,631		(509)
Distributions in excess of earnings		(399,250)		(599,971)
Total stockholders equity		625,815		965,677
Noncontrolling interests		890		912
Total equity		626,705		966,589
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK, AND EQUITY	$	1,336,388	$	2,022,884

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

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CIM COMMERCIAL TRUST CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

(In thousands, except per share data)

	Year Ended December 31, 2017	2016	2015
REVENUES:			
Rental and other property income	$ 202,163	$ 241,413	$ 252,994
Expense reimbursements	16,646	12,502	13,394
Interest and other income	17,567	12,016	10,560
	236,376	265,931	276,948
EXPENSES:			
Rental and other property operating	101,585	124,703	133,178
Asset management and other fees to related parties	30,251	33,882	33,169
Interest	36,338	34,385	23,630
General and administrative	5,479	7,961	9,402
Transaction costs (Note 16)	11,862	340	1,382
Depreciation and amortization	58,364	71,968	72,361
Impairment of real estate (Note 2)	13,100		
	256,979	273,239	273,122
Gain on sale of real estate (Note 3)	401,737	39,666	3,092
INCOME FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES	381,134	32,358	6,918
Provision for income taxes	1,376	1,646	806
NET INCOME FROM CONTINUING OPERATIONS	379,758	30,712	6,112
DISCONTINUED OPERATIONS:			
Income from operations of assets held for sale (Note 7)		3,853	13,140
Gain on disposition of assets held for sale (Note 7)			5,151
NET INCOME FROM DISCONTINUED OPERATIONS		3,853	18,291
NET INCOME	379,758	34,565	24,403
Net income attributable to noncontrolling interests	(21)	(18)	(11)
NET INCOME ATTRIBUTABLE TO THE COMPANY	379,737	34,547	24,392
Redeemable preferred stock dividends (Note 11)	(490)	(9)	
Redeemable preferred stock redemptions (Note 11)	2		
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	$ 379,249	$ 34,538	$ 24,392
BASIC AND DILUTED NET INCOME AVAILABLE TO COMMON STOCKHOLDERS PER SHARE:			
Continuing operations	$ 5.47	$ 0.34	$ 0.06
Discontinued operations	$	$ 0.04	$ 0.19
Net income	$ 5.47	$ 0.38	$ 0.25
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:			
Basic	69,062	91,328	97,588
Diluted	69,070	91,328	97,588

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

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CIM COMMERCIAL TRUST CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(In thousands)

	Year Ended December 31,		
	2017	2016	2015
NET INCOME	$ 379,758	$ 34,565	$ 24,403
Other comprehensive income (loss): cash flow hedges	2,140	2,010	(2,519)
COMPREHENSIVE INCOME	381,898	36,575	21,884
Comprehensive income attributable to noncontrolling interests	(21)	(18)	(11)
COMPREHENSIVE INCOME ATTRIBUTABLE TO THE COMPANY	$ 381,877	$ 36,557	$ 21,873

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

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CIM COMMERCIAL TRUST CORPORATION AND SUBSIDIARIES

Consolidated Statements of Equity

(In thousands, except share and per share data)

	Years Ended December 31, 2017, 2016 and 2015							
	Common Stock		**Additional**	**Accumulated Other**	**Distributions**			
	Outstanding	**Par Value**	**Paid - in Capital**	**Comprehensive Income (Loss)**	**in Excess of Earnings**	**Treasury Stock**	**Noncontrolling Interests**	**Total Equity**
Balances, December 31, 2014	97,581,598	$ 98	$ 1,824,381	$	$ (460,623)	$ (4,901)	$ 861	$ 1,359,816
Contributions from noncontrolling interests							110	110
Distributions to noncontrolling interests							(45)	(45)
Stock-based compensation expense	8,000		971					971
Common dividends ($0.875 per share)					(85,389)			(85,389)
Treasury stock retirement (107,265 shares)			(4,901)			4,901		
Other comprehensive income (loss)				(2,519)				(2,519)
Net income					24,392		11	24,403
Balances, December 31, 2015	97,589,598	98	1,820,451	(2,519)	(521,620)		937	1,297,347
Distributions to noncontrolling interests							(43)	(43)
Stock-based compensation expense	10,176		164					164
Issuance of shares pursuant to employment agreements	76,423							
Share repurchases	(13,628,116)	(14)	(254,547)		(35,573)			(290,134)
Common dividends ($0.875 per share)					(77,316)			(77,316)
Issuance of Series A Preferred Warrants			5					5
Dividends to holders of Series A Preferred Stock ($1.375 per share)					(9)			(9)
Other comprehensive income (loss)				2,010				2,010
Net income					34,547		18	34,565
Balances, December 31, 2016	84,048,081	$ 84	$ 1,566,073	$ (509)	$ (599,971)	$	$ 912	$ 966,589

(Continued)

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CIM COMMERCIAL TRUST CORPORATION AND SUBSIDIARIES

Consolidated Statements of Equity (Continued)

(In thousands, except share and per share data)

	Years Ended December 31, 2017, 2016 and 2015										
	Common Stock		Preferred Stock					Accumulated Other	Distributions	Non-	
			Series A		Series L		Additional Paid - in	Comprehensive	in Excess	controlling	Total
	Shares	Par Value	Shares	Amount	Shares	Amount	Capital	Income (Loss)	of Earnings	Interests	Equity
Balances, December 31, 2016	84,048,081	$ 84		$		$	$ 1,566,073	$ (509)	$ (599,971)	$ 912	$ 966,589
Distributions to noncontrolling interests										(43)	(43)
Stock-based compensation expense	9,585						154				154
Share repurchases	(40,272,727)	(40)					(752,218)		(133,752)		(886,010)
Special cash dividends declared to certain common stockholders ($2.990 per share)									(6,447)		(6,447)
Common dividends ($0.594 per share)									(38,327)		(38,327)
Issuance of Series A Preferred Warrants							126				126
Issuance of Series L Preferred Stock					8,080,740	229,251	(21,406)				207,845
Dividends to holders of Series A Preferred Stock ($1.375 per share)									(490)		(490)
Reclassification of Series A to permanent equity			61,013	1,518			(101)				1,417
Redemption of Series A Preferred Stock			(421)	(10)			3				(7)
Other comprehensive income (loss)								2,140			2,140
Net income									379,737	21	379,758
Balances, December 31, 2017	43,784,939	$ 44	60,592	$ 1,508	8,080,740	$ 229,251	$ 792,631	$ 1,631	$ (399,250)	$ 890	$ 626,705

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

CIM COMMERCIAL TRUST CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(In thousands)

	Year Ended December 31, 2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 379,758	$ 34,565	$ 24,403
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Deferred rent and amortization of intangible assets, liabilities and lease inducements	(2,172)	(6,584)	(6,835)
Depreciation and amortization	58,364	71,968	72,361
Transfer of right to collect supplemental real estate tax reimbursements	(5,097)		
Gain on sale of real estate	(401,737)	(39,666)	(3,092)
Impairment of real estate	13,100		
Gain on disposition of assets held for sale			(5,151)
Straight line rent, below-market ground lease and amortization of intangible assets	1,069	1,766	1,899
Straight line lease termination income	(362)		
Amortization of deferred loan costs	2,870	2,803	3,229
Amortization of premiums and discounts on debt	(590)	(870)	(1,179)
Unrealized premium adjustment	2,447	1,599	1,168
Amortization and accretion on loans receivable, net	96	(1,039)	(6,451)
Bad debt expense	677	161	1,428
Deferred income taxes	271	164	132
Stock-based compensation	154	164	971
Loans funded, held for sale to secondary market	(57,237)	(38,234)	(29,619)
Proceeds from sale of guaranteed loans	51,312	38,536	27,974
Principal collected on loans subject to secured borrowings	6,674	3,866	4,311
Other operating activity	(1,718)	136	(496)
Changes in operating assets and liabilities:			
Accounts receivable and interest receivable	(977)	(2,569)	(350)
Other assets	(19,762)	419	(4,036)
Accounts payable and accrued expenses	(14,139)	630	3,678
Deferred leasing costs	(6,973)	(19,885)	(8,580)
Other liabilities	(5,589)	3,219	984
Due to related parties	(1,584)	724	286
Net cash (used in) provided by operating activities	(1,145)	51,873	77,035
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to investments in real estate	(21,101)	(35,414)	(26,614)
Acquisition of real estate properties	(19,631)		(11,143)
Proceeds from sale of real estate property, net	1,012,115	94,568	7,786
Proceeds from sale of assets held for sale, net		26,766	82,272
Loans funded	(19,079)	(66,001)	(29,848)
Principal collected on loans	10,883	33,470	39,950
Restricted cash	5,152	(25,150)	1,691
Other investing activity	317	1,287	178
Net cash provided by investing activities	968,656	29,526	64,272

(Continued)

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CIM COMMERCIAL TRUST CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

(In thousands)

	Year Ended December 31, 2017	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from mortgages payable		392,000	
Payment of mortgages payable	(65,877)	(4,354)	(77,056)
Proceeds from unsecured revolving lines of credit, revolving credit facilities and term notes	120,000	175,000	619,000
Payment of unsecured revolving lines of credit, revolving credit facilities and term notes	(335,000)	(282,000)	(487,000)
Payment of principal on secured borrowings	(6,674)	(13,946)	(4,311)
Proceeds from secured borrowings		25,791	10,000
Payment of deferred preferred stock offering costs	(3,832)	(1,960)	
Payment of deferred loan costs	(304)	(1,994)	(3,596)
Payment of common dividends	(38,327)	(77,316)	(85,389)
Payment of special cash dividends	(4,872)		
Repurchase of Common Stock	(886,010)	(290,134)	
Contributions from noncontrolling interests			110
Payment of borrowing costs	(8)		
Net proceeds from issuance of Series A Preferred Warrants	127	5	
Net proceeds from issuance of Series A Preferred Stock	28,070	1,429	
Net proceeds from issuance of Series L Preferred Stock	210,377		
Payment of preferred stock dividends	(250)		
Redemption of Series A Preferred Stock	(27)		
Noncontrolling interests distributions	(43)	(43)	(45)
Net cash used in financing activities	(982,650)	(77,522)	(28,287)
Change in cash balances included in assets held for sale		1,471	569
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(15,139)	5,348	113,589
CASH AND CASH EQUIVALENTS:			
Beginning of period	144,449	139,101	25,512
End of period	$ 129,310	$ 144,449	$ 139,101
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for interest	$ 35,092	$ 33,060	$ 20,920
Federal income taxes paid	$ 1,595	$ 1,353	$ 805
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to investments in real estate included in accounts payable and accrued expenses	$ 9,024	$ 4,527	$ 8,097
Retirement of treasury stock	$	$	$ 4,901
Additions to investments in real estate included in other assets	$	$	$ 4,244
Net increase (decrease) in fair value of derivatives applied to other comprehensive income (loss)	$ 2,140	$ 2,010	$ (2,519)
Foreclosure on a loan receivable included in other assets	$	$	$ 708
Reduction of loans receivable and secured borrowings due to the SBA s repurchase of the guaranteed portion of loans	$ 534	$ 2,663	$
Additions to preferred stock offering costs included in accounts payable and accrued expenses	$ 388	$ 238	$
Accrual of dividends payable to preferred stockholders	$ 249	$ 9	$

Preferred stock offering costs offset against redeemable preferred stock in temporary equity	$	122	$	3	$	
Preferred stock offering costs offset against redeemable preferred stock in permanent equity	$	2,532	$		$	
Reclassification of Series A Preferred Stock from temporary equity to permanent equity	$	1,417	$		$	
Reclassification of Series A Preferred Stock from temporary equity to accounts payable and accrued expenses	$	13	$		$	
Accrual of special cash dividends	$	1,575	$		$	
Accrual reversed to lease termination income	$	480	$		$	
Payable to related parties included in net proceeds from disposition of real estate	$	202	$		$	

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

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CIM COMMERCIAL TRUST CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements as of December 31, 2017 and 2016

and for the Years Ended December 31, 2017, 2016 and 2015

1. ORGANIZATION AND OPERATIONS

CIM Commercial Trust Corporation (CIM Commercial or the Company), a Maryland corporation and real estate investment trust (REIT), or together with its wholly-owned subsidiaries (we, us or our) primarily acquires, owns, and operates Class A and creative office assets in vibrant and improving urban communities throughout the United States. These communities are located in areas that include traditional downtown areas and suburban main streets, which have high barriers to entry, high population density, improving demographic trends and a propensity for growth. We were originally organized in 1993 as PMC Commercial Trust (PMC Commercial), a Texas real estate investment trust.

On July 8, 2013, PMC Commercial entered into a merger agreement (the Merger Agreement) with CIM Urban REIT, LLC (CIM REIT), an affiliate of CIM Group, L.P. (CIM Group or CIM), and subsidiaries of the respective parties. CIM REIT was a private commercial REIT and was the owner of CIM Urban Partners, L.P. (CIM Urban). The transaction (the Merger) was completed on March 11, 2014 (the Acquisition Date). As a result of the Merger and related transactions, CIM Urban became our wholly-owned subsidiary.

Our common stock, $0.001 par value per share (Common Stock), is currently traded on the Nasdaq Global Market (Nasdaq) and on the Tel Aviv Stock Exchange (TASE), in each case under the ticker symbol CMCT. Our Series L Preferred Stock (as defined in Note 11), $0.001 par value per share, is currently traded on Nasdaq and on the TASE, in each case under the ticker symbol CMCTP. We have authorized for issuance 900,000,000 shares of common stock and 100,000,000 shares of preferred stock (Preferred Stock).

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