

CORPORATE OFFICE PROPERTIES TRUST
Form 10-Q/A
June 19, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q/A

(Amendment No. 1)

(Mark one)

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

For the quarterly period ended March 31, 2012

or

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

For the transition period from to

Commission file number 1-14023

Corporate Office Properties Trust

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

23-2947217
(IRS Employer
Identification No.)

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6711 Columbia Gateway Drive, Suite 300, Columbia, MD
(Address of principal executive offices)

21046
(Zip Code)

Registrant's telephone number, including area code: **(443) 285-5400**

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

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

As of April 18, 2012, 72,040,863 of the Company's Common Shares of Beneficial Interest, \$0.01 par value, were issued and outstanding.

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EXPLANATORY NOTE

This amendment to the Quarterly Report on Form 10-Q/A (Amendment No. 1) is being filed in order to include disclosure regarding previously undisclosed out-of-period adjustments to the consolidated financial statements that were included in Part I, Items 1 and 2 of the original Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 previously filed on April 27, 2012 (the Original Filing).

During the second quarter of 2012, we identified an error in the consolidated financial statements for the year ended December 31, 2011 and the quarter ended March, 31, 2012. The error was attributable to the misapplication of accounting guidance related to the recognition of a deferred tax asset resulting from an impairment of assets in the fourth quarter of 2011 that failed to consider a partial reversal of that asset that would result from a cancellation of related inter-company debt in the first quarter of 2012. During the first quarter of 2012, we identified an error that impacted the above referenced periods. The error was an over-accrual of incentive compensation cost. We have determined that the errors were not material in 2011 and are not material to our expected annual results for the year ending December 31, 2012. Accordingly, the cumulative change is reported as an out-of-period adjustment in the three months ended March 31, 2012 on our consolidated statement of operations.

This Amendment No. 1 amends only Part I, Items 1 and 2 of the Original Filing solely to reflect the revision of the notes to the consolidated financial statements and to add disclosure to Part I, Item 2 relating to such revision. The remaining items contained within this Amendment No. 1 consist of all other items originally contained in the Original Filing. These remaining items are not amended hereby, but are included for the convenience of the reader. Except for the foregoing amended information, this Amendment No. 1 continues to describe conditions as of the date of the Original Filing, and we have not updated the disclosures contained herein to reflect events that occurred at a later date. We are also updating the signature page and certifications of our Chief Executive and Financial Officers contained in Exhibits 31.1, 31.2, 32.1 and 32.2.

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	March 31, 2012	December 31, 2011
Assets		
Properties, net:		
Operating properties, net	\$ 2,704,323	\$ 2,714,056
Projects in development or held for future development	633,968	638,919
Total properties, net	3,338,291	3,352,975
Assets held for sale, net	81,352	116,616
Cash and cash equivalents	7,987	5,559
Restricted cash and marketable securities	21,711	36,232
Accounts receivable (net of allowance for doubtful accounts of \$3,796 and \$3,546, respectively)	11,231	26,032
Deferred rent receivable	89,337	86,856
Intangible assets on real estate acquisitions, net	83,940	89,120
Deferred leasing and financing costs, net	66,987	66,515
Prepaid expenses and other assets	96,532	87,619
Total assets	\$ 3,797,368	\$ 3,867,524
Liabilities and equity		
Liabilities:		
Debt, net	\$ 2,418,078	\$ 2,426,303
Accounts payable and accrued expenses	93,156	96,425
Rents received in advance and security deposits	27,647	29,548
Dividends and distributions payable	24,544	35,038
Deferred revenue associated with operating leases	15,258	15,554
Distributions received in excess of investment in unconsolidated real estate joint venture	6,178	6,071
Interest rate derivatives	2,673	30,863
Other liabilities	9,038	9,657
Total liabilities	2,596,572	2,649,459
Commitments and contingencies (Note 15)		
Equity:		
Corporate Office Properties Trust's shareholders' equity:		
Preferred Shares of beneficial interest with an aggregate liquidation preference of \$216,333 (\$0.01 par value; 15,000,000 shares authorized and 8,121,667 shares issued and outstanding at March 31, 2012 and December 31, 2011)	81	81
Common Shares of beneficial interest (\$0.01 par value; 125,000,000 shares authorized, shares issued and outstanding of 72,037,627 at March 31, 2012 and 72,011,324 at December 31, 2011)	720	720
Additional paid-in capital	1,670,451	1,668,645

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Cumulative distributions in excess of net income	(549,456)	(532,288)
Accumulated other comprehensive loss	(2,201)	(1,733)
Total Corporate Office Properties Trust s shareholders equity	1,119,595	1,135,425
Noncontrolling interests in subsidiaries:		
Common units in the Operating Partnership	53,883	55,281
Preferred units in the Operating Partnership	8,800	8,800
Other consolidated entities	18,518	18,559
Noncontrolling interests in subsidiaries	81,201	82,640
Total equity	1,200,796	1,218,065
Total liabilities and equity	\$ 3,797,368	\$ 3,867,524

See accompanying notes to consolidated financial statements.

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Corporate Office Properties Trust and Subsidiaries

Consolidated Statements of Operations

(in thousands, except per share data)

(unaudited)

	For the Three Months Ended March 31,			
	2012		2011	
Revenues				
Rental revenue	\$	99,144	\$	94,249
		Kenan		
		Lucas		

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

570,962

9. SOLE DISPOSITIVE

POWER

0

10. SHARED DISPOSITIVE POWER

570,962

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

570,962

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

6.2%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 749063103

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Raymond Harbert

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)
OR 2(e)

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United States of America

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8. SHARED VOTING POWER

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0

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CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

6.2%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 749063103

Item 1. Security and Issuer.

The name of the issuer is Qumu Corporation, a Minnesota corporation (the "Issuer"). The address of the Issuer's principal executive offices is 510 1st Avenue North, Suite 305, Minneapolis, Minnesota 55403, United States of America. This Schedule 13D relates to the Issuer's common stock, \$0.01 par value (the "Shares").

Item 2. Identity and Background.

(a), (f) This Schedule 13D is being filed jointly by (i) Harbert Discovery Fund, LP, a Delaware limited partnership (the "Fund"), (ii) Harbert Discovery Fund GP, LLC, a Delaware limited liability company (the "Fund GP"), (iii) Harbert Fund Advisors, Inc., an Alabama corporation ("HFA"), (iv) Harbert Management Corporation, an Alabama corporation ("HMC"), (v) Jack Bryant, a United States citizen, (vi) Kenan Lucas, a United States citizen, and (vii) Raymond Harbert, a United States citizen (collectively, the "Reporting Persons").

(b) The principal business address for each of the Reporting Persons is 2100 Third Avenue North, Suite 600, Birmingham, Alabama 35203.

(c) Jack Bryant and Kenan Lucas, are directors and co-portfolio managers of the Fund GP, which serves as general partner of the Fund. Raymond Harbert is the controlling shareholder, Chairman and Chief Executive Officer of HMC, an alternative asset investment management firm that is the managing member of the Fund GP. Mr. Harbert also serves as the Chairman, Chief Executive Officer and Director of HFA, an indirect, wholly owned subsidiary of HMC, which provides the Fund with certain operational and administrative services. The principal business of the Fund is purchasing, holding and selling securities for investment purposes.

(d) None of the Reporting Persons have, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Prior to March 2009, HMC was affiliated with the Harbinger Capital Partners Funds ("Harbinger") managed by Philip Falcone. On June 27, 2012, the Securities and Exchange Commission (the "SEC") filed civil fraud charges against Mr. Falcone and Harbinger related to, among other things, their trading in the bonds of a small company known as MAAX Holdings in 2006-2008 that the SEC alleges to have been "manipulative" in violation of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). The SEC also sought to hold HMC derivatively liable as a "control person" under Section 20(A) of the Exchange Act. Section 20(A) is a derivative liability provision that does not prohibit any specified conduct and cannot be independently violated by one's own conduct, but imposes joint and several liability on certain persons who control another to the extent that such "controlled person" is independently liable for its own violations of the securities laws. Except as set forth in this Item 2(e) none of the Reporting Persons have, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

The funds for the purchase of the Shares by the Fund came from the working capital of the Fund, over which HFA, HMC, the Fund GP, Jack Bryant, Kenan Lucas and Raymond Harbert, through their roles described above in Item 2(c), exercise investment discretion. No borrowed funds were used to purchase the Shares, other than borrowed funds used for working capital purposes in the ordinary course of business. The total costs of the Shares directly owned by Harbert Discovery Fund, LP is approximately \$1,287,976.

Item
4. Purpose of Transaction.

The Reporting Persons purchased the securities of the Issuer reported herein based on their belief that the securities were undervalued and represented an attractive investment opportunity.

The Reporting Persons have had and anticipate having further conversations with members of the Issuer's management and board of directors regarding possible ways to enhance shareholder value. The topics of these conversations will cover a range of issues, including those relating to the business of the Issuer, management, board composition (which may include possibly adding a candidate or candidates supported by the Reporting Persons to the Issuer's board of directors), operations, capital allocation, asset allocation, capitalization, dividend policy, financial condition, mergers and acquisitions strategy, overall business strategy, executive compensation, and corporate governance. The Reporting Persons may also have similar conversations with other stockholders of the Issuer and other interested parties, such as industry analysts, existing or potential strategic partners or competitors, investment professionals, and other investors. The Reporting Persons may at any time reconsider and change their intentions relating to the foregoing.

No Reporting Person has any present plan or proposal which would relate to or would result in any of the matters set forth in subparagraphs (a)- (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon completion of any of the actions discussed herein. The Reporting Persons may in the future take one or more of the actions described in subsections (a) through (j) of Item 4 of Schedule 13D and may discuss such actions with the Issuer's management and the board of directors, other stockholders of the Issuer, and other interested parties, such as those set out above.

The Reporting Persons intend to review their investments in the Issuer on a continuing basis. Depending on various factors, including, without limitation, the Issuer's financial position and strategic direction, the outcome of the discussions and actions referenced above, actions taken by the Issuer's board of directors, price levels of the Common Stock, other investment opportunities available to the Reporting Persons, conditions in the securities market and general economic and industry conditions, the Reporting Persons may in the future take actions with respect to its investment position in the Issuer as it deems appropriate, including, without limitation, purchasing additional Common Stock or selling some or all of its Common Stock, and/or engaging in hedging or similar transactions with respect to the Common Stock.

Item
5. Interest in Securities of the Issuer.

- (a) - As of the date hereof, (i) HFA, HMC, the Fund GP, the Fund, Jack Bryant, Kenan Lucas and Raymond
- (e) Harbert may be deemed to be the beneficial owners of 570,962 Shares, constituting 6.2% of the Shares, based upon *9,221,614 Shares outstanding as of the date hereof.

HFA has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 570,962 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 570,962 Shares.

HMC has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 570,962 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 570,962 Shares.

The Fund GP has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 570,962 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and

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has the shared power to dispose or direct the disposition of 570,962 Shares.

The Fund has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 570,962 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 570,962 Shares.

Jack Bryant has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 570,962 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 570,962 Shares.

Kenan Lucas has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 570,962 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 570,962 Shares.

Raymond Harbert has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 570,962 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 570,962 Shares.

The transactions by the Reporting Persons in the securities of the Issuer during the past sixty days are set forth in Exhibit B. All such transactions were carried out in open market transactions.

*This outstanding Shares figure reflects the number of outstanding Shares at March 24, 2017, as reported in the Issuer's Form 10-K, filed on March 31, 2017

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Not Applicable.

Item 7. Material to be Filed as Exhibits.

Exhibit A:
Joint Filing
Agreement
Exhibit B:
Schedule of
Transactions
in Shares

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

April 3, 2017
(Date)

Harbert Discovery Fund, LP

By: Harbert Discovery Fund GP, LLC,
its General Partner

By: Harbert Management Corporation,
its Managing Member

By: /s/ John McCullough
Executive Vice President and
General Counsel

Harbert Discovery Fund GP, LLC*

By: Harbert Management Corporation,
its Managing Member

By: /s/ John McCullough
Executive Vice President and
General Counsel

Harbert Fund Advisors, Inc.*

By: /s/ John McCullough
Executive Vice President and
General Counsel

Harbert Management Corporation*

By: /s/ John McCullough
Executive Vice President and
General Counsel

/s/ Jack Bryant*
Jack Bryant

/s/ Kenan Lucas*
Kenan Lucas

/s/ Raymond Harbert*

Raymond Harbert

* This reporting person disclaims beneficial ownership of these reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that any such person is the beneficial owner of these securities for purposes of Section 16 of the U.S. Securities Exchange Act of 1934, as amended, or for any other purpose.

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13D, dated April 3, 2017, relating to the Common Stock, \$0.01 par value of Qumu Corporation shall be filed on behalf of the undersigned.

April 3, 2017
(Date)

Harbert Discovery Fund, LP

By: Harbert Discovery Fund GP, LLC,
its General Partner

By: Harbert Management Corporation,
its Managing Member

By: /s/ John McCullough
Executive Vice President and
General Counsel

Harbert Discovery Fund GP, LLC

By: Harbert Management Corporation,
its Managing Member

By: /s/ John McCullough
Executive Vice President and
General Counsel

Harbert Fund Advisors, Inc.

By: /s/ John McCullough
Executive Vice President and
General Counsel

Harbert Management Corporation

By: /s/ John McCullough
Executive Vice President and
General Counsel

/s/ Jack Bryant
Jack Bryant

/s/ Kenan Lucas

Kenan Lucas

/s/ Raymond Harbert

Raymond Harbert

Exhibit B

Schedule of Transactions in Shares

Date of Transaction	Title of Class	Number of Shares Acquired	Number of Shares Disposed	Price Per Share
03/13/2017	Common Stock, \$0.01 par value	175,000		1.9000
03/13/2017	Common Stock, \$0.01 par value	107,862		2.0000
03/13/2017	Common Stock, \$0.01 par value	13,751		1.9000
03/14/2017	Common Stock, \$0.01 par value	26,189		2.2595
03/15/2017	Common Stock, \$0.01 par value	7,299		2.2941
03/16/2017	Common Stock, \$0.01 par value	8,400		2.3771
03/17/2017	Common Stock, \$0.01 par value	6,307		2.4485
03/21/2017	Common Stock, \$0.01 par value	49,006		2.5000
03/22/2017	Common Stock, \$0.01 par value	25,848		2.5874
03/23/2017	Common Stock, \$0.01 par value	800		2.5500
03/24/2017	Common Stock, \$0.01 par value	150,000		2.7300
03/29/2017	Common Stock, \$0.01 par value	500		2.7240