

INVESTORS REAL ESTATE TRUST  
Form S-3DPOS  
April 04, 2003

As filed with the Securities and Exchange Commission on April 4, 2003

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**AMENDED FORM S-3D POS**  
**REGISTRATION STATEMENT**

Under The Securities Act of 1933

**INVESTORS REAL ESTATE TRUST**  
(Exact name of registrant as specified in its charter)

**NORTH DAKOTA**  
(State or other jurisdiction of incorporation or organization)

**45-0311232**  
(I.R.S. Employer Identification No.)

**PO Box 1988, 12 South Main Street**  
**Minot, North Dakota 58702-1988**  
**701-837-4738**  
(Address, including zip code, and telephone number, including  
area code of registrant's principal executive offices)

**Thomas A. Wentz Sr.**  
**PO Box 1988, 12 South Main Street**  
**Minot, ND 58702-1988**  
(Name and Address, including zip code, of IRET for service)

**Telephone No. (701) 837-4738**  
(Telephone number, including area code, of IRET for service)

Approximate date of commencement of proposed sale to the public is as soon as possible after the effective date of the Registration Statement.

If the only securities being registered on this Form are being offered pursuant to distribution or interest reinvestment plans, please check the following box: \_\_\_\_\_ X

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with distribution or interest reinvestment plan, check the following box: \_\_\_\_\_

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of \_\_\_\_\_

the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. \_\_\_\_\_

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. \_\_\_\_\_

**CALCULATION OF REGISTRATION FEE**

<b><u>Title of Securities to be Registered</u></b>	<b><u>Amount to be Registered</u></b>	<b><u>Proposed Maximum Offering Price Per Unit</u></b>	<b><u>Proposed Maximum Aggregate Offering Price</u></b>	<b><u>Amount of Registration Fee</u></b>
Investors Real Estate Trust Shares of Beneficial Interest	280,000	\$9.25 per share	\$2,590,000.00 Aggregate offering price	\$209.79

**INVESTORS REAL ESTATE TRUST PROSPECTUS  
DISTRIBUTION REINVESTMENT PLAN**

The Distribution Reinvestment Plan (the Plan) of Investors Real Estate Trust ("IRET") described herein provides holders of IRET's Shares of Beneficial Interest ("shares") and holders of Limited Partnership Units of IRET Properties, a North Dakota Limited Partnership ("L. P. units") with a simple and convenient method of investing cash distributions in additional shares without payment of any brokerage commission or service charge.

Distributions reinvested in the Plan will be used to purchase new shares directly from IRET.

Participants in the Plan may:

- (1) Automatically reinvest cash distributions on all shares or L. P. units registered in their names, or,
- (2) Automatically reinvest cash distributions on less than all of the shares or L. P. units registered in their names and continue to receive cash distributions on the remaining shares.

Holders of shares or L. P. units who do not choose to participate in the Plan will continue to receive cash distributions, as declared, in the usual manner.

**IT IS SUGGESTED THAT THIS PROSPECTUS BE RETAINED FOR FUTURE REFERENCE.**

IRET reserves the right to terminate or modify the Plan at anytime without notice to or approval of Plan participants.

The Plan does not represent a change in IRET's distribution policy or a guarantee of future distributions. Distributions will continue to depend on earnings, financial requirements, and other factors.

This Prospectus relates to up to 280,000 shares of beneficial interest with no par value.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL**

**OFFENSE.**

The date of this Prospectus is April 4, 2003.

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**AVAILABLE INFORMATION**

IRET is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission ("Commission") relating to its business, financial position, results of operations and other matters. Information as of particular dates concerning IRET's Trustees is disclosed in proxy statements. Such reports, proxy statements, and other information can be inspected at the Public Reference Room of the Commission, Room 1024, 450 Fifth Street, N.W., Washington, D.C. Copies of such material can be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549 at prescribed rates. The information is also available over the Internet by accessing the EDGAR database located at [www.sec.gov](http://www.sec.gov).

IRET has filed with the Commission a Registration Statement under the Securities Act of 1933 with respect to the shares of Beneficial Interest offered hereby. This Prospectus does not contain all of the information set forth in such Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information pertaining to IRET, the shares of Beneficial Interest and related matters, reference is made to such Registration Statement, including the exhibits incorporated therein by reference or filed as a part thereof.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The following documents and portions of documents filed by IRET with the Commission are hereby incorporated into this Prospectus by reference:

- (1) IRET's Form 10-Q filed pursuant to the Securities Exchange Act of 1934 on March 14, 2003, file no. 000-14851.
- (2) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on February 27, 2003, file no. 000-14851.
- (3) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on February 18, 2003, file no. 000-14851.
- (4) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on January 31, 2003, file no. 000-14851.
- (5) IRET's Form S-3D filed pursuant to the Securities Act of 1933 on January 21, 2003, file no. 333-102610.
- (6) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on January 7, 2003, file no. 000-14851.
- (7) IRET's Form S-3/A filed pursuant to the Securities Act of 1933 on December 23, 2002, file no. 333-101782.

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IRET's Form 10-Q filed pursuant to the Securities Exchange Act of 1934 on December 16, 2002, file no. 000-14851.

- (9) IRET's Form 8-K/A filed pursuant to the Securities Exchange Act of 1934 on December 16, 2002, file no. 000-14851.
- (10) IRET's Form S-3 filed pursuant to the Securities Act of 1933 on December 11, 2002, file no. 333-101782.
- (11) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on October 15, 2002, file no. 000-14851.
- (12) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on October 4, 2002, file no. 000-14851.
- (13) IRET's Form S-3D filed pursuant to the Securities Act of 1933 on October 2, 2002, file no. 333-100272.
- (14) IRET's Form 10-Q filed pursuant to the Securities Exchange Act of 1934 on September 12, 2002, file no. 000-14851.
- (15) IRET's 424b(2) statement filed pursuant to the Securities Act of 1933 on September 11, 2002, file no. 333-98575.
- (16) IRET's Form S-3/A registration statement filed pursuant to the Securities Act of 1933 on September 3, 2002, file no. 333-98575.
- (17) IRET's Form S-3 registration statement filed pursuant to the Securities Act of 1933 on August 23, 2002, file no. 333-98575.
- (18) IRET's Def-14A filed pursuant to the Securities Exchange Act of 1934 on August 12, 2002, file no. 000-14851.
- (19) IRET's Form 10-K405 filed pursuant to the Securities Exchange Act of 1934 on July 29, 2002, file no. 000-14851.
- (20) IRET's Form 8-K/A filed pursuant to the Securities Exchange Act of 1934 on July 15, 2002, file no. 000-14851.
- (21) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on July 3, 2002, file no. 000-14851.
- (22) IRET's Form S-3D filed pursuant to the Securities Act of 1933 on July 2, 2002, file no. 333.91788.
- (23) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on May 15, 2002, file no. 000-14851.

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- (24) IRET's 424b(3) statement filed pursuant to the Securities Act of 1933 on April 26, 2002, file no. 333-85930.
  - (25) IRET's Form S-3/A registration statement filed pursuant to the Securities Act of 1933 on April 22, 2002, file no. 333-85930.
  - (26) IRET's Form S-3 registration statement filed pursuant to the Securities Act of 1933 on April 9, 2002, file no. 333-85930.
  - (27) IRET's Form S-3D filed pursuant to the Securities Act of 1933 on April 2, 2002, file no. 333-85352.
  - (28) IRET's Form 10-Q/A filed pursuant to the Securities Exchange Act of 1934 on March 21, 2002, file no. 000-14851.

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- (29) IRET's Form 8-K/A filed pursuant to the Securities Exchange Act of 1934 on March 15, 2002, file no. 000-14851.
- (30) IRET's Form 10-Q filed pursuant to the Securities Exchange Act of 1934 on March 15, 2002, file no. 000-14851.
- (31) IRET's 424b statement filed pursuant to the Securities Act of 1933 on January 28, 2002, file no. 333.76034.
- (32) IRET's Form 8-K filed pursuant to the Securities Exchange Act of 1934 on January 17, 2002, file no. 000-14851.
- (33) IRET's S-11/A registration statement filed pursuant to the Securities Act of 1933 on January 16, 2002, file no. 333-76034.
- (34) IRET's Form S-3D filed pursuant to the Securities Act of 1933 on January 4, 2002, file no. 333-76266.
- (35) IRET's 424b(2) statement filed pursuant to the Securities Act of 1933 on January 3, 2002, file no. 333-60228.
- (36) IRET's Form S-11 registration statement filed pursuant to the Securities Act of 1933 on December 28, 2001, file no. 333-76034.
- (37) IRET's Form POS-AM registration statement filed pursuant to the Securities Act of 1933 on December 24, 2001, file no. 333-60228.
- (38) IRET's Form 10-Q filed pursuant to the Securities Exchange Act of 1934 on December 13, 2001, file no. 000-14851.
- (39) IRET's 424b(2) statement filed pursuant to the Securities Act of 1933 on December 7, 2001, file no. 333-60228.

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- (40) The description of IRET's shares is contained in the registration statement filed under the Exchange Act on December 3, 2001, file no. 333-60228, including any amendments or reports filed for the purpose of updating such description.
  - (41) IRET's Form 10-Q filed pursuant to the Securities Exchange Act of 1934 on September 14, 2001, file no. 000-14851.
  - (42) IRET's DEF-14A proxy statement filed pursuant to the Securities Exchange Act of 1934 on August 10, 2001, file no. 000-14851.
  - (43) IRET's Annual Report on Form 10-K405/A filed pursuant to the Exchange Act on August 3, 2001, file no. 000-14851.

All documents filed by IRET pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering to which this Prospectus relates shall also be deemed to be incorporated by reference in this Prospectus and to be a part of this Prospectus from the date of the filing of such documents.

The foregoing documents incorporated by reference in this Prospectus (not including exhibits to the information that are incorporated by reference unless such exhibits are specifically incorporated by reference into the information that this Prospectus incorporates) are available on our website at [www.irets.com](http://www.irets.com) or will be provided without charge to each person to whom a prospectus is delivered, upon written or oral request of such person, made to Shareholder Relations, Investors Real Estate Trust, PO Box 1988, 12 South Main Street, Minot, North Dakota 58702-1988. (701) 837-4738; fax (701) 838-7785.

No person has been authorized to give any information, or to make any representations other than those contained in this Prospectus or referred to herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by IRET. This Prospectus does not constitute an offer or solicitation by anyone in any state in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The delivery of this Prospectus at any time does not imply that information herein is correct as of any time subsequent to the date hereof.

This Prospectus relates to the shares of Beneficial Interest of IRET registered for sale under the Plan.

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## THE COMPANY

IRET is a real estate investment trust organized on July 31, 1970, under the laws of North Dakota. IRET's principal executive office is located at 12 South Main, Minot, ND 58701. IRET's telephone number is 701-837-4738.

## DESCRIPTION OF THE DISTRIBUTION REINVESTMENT AND STOCK PURCHASE PLAN

The Distribution Reinvestment and Stock Purchase Plan (the "Plan") for holders of IRET shares or L.P. units is described in the following questions and answers:

For further information concerning the Plan, please address correspondence to:

Shareholder Relations  
Investors Real Estate Trust  
PO Box 1988  
12 South Main Street  
Minot, ND 58702-1988

## PURPOSE

### 1. What is the purpose of the Plan?

The purpose of the Plan is to provide holders of record of IRET Shares of Beneficial Interest ("shares") or of Limited Partnership Units of IRET Properties, a North Dakota Limited Partnership ("L. P. units") a convenient and economical way of investing cash distributions in additional IRET shares of beneficial interest at a 5% discount from the Nasdaq closing price on the distribution payment date without payment of any brokerage commission or service charge.

## ADVANTAGES

### 2. What are the advantages of the Plan?

By participating in the Plan:

- (1) You may purchase shares at a 5% discount from the Nasdaq closing price on the distribution payment date.
- (2) You pay no brokerage commission or service charge in connection with investments under the Plan.

- (3) You pay no brokerage commission or service charge in connection with investments under the Plan.
- (4) You are assured safekeeping of shares credited to your account because certificates are not issued unless requested.

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## RISKS

### 3. What are the risks associated with participation in the Plan?

As with the purchase of any security, the value of your investment may decline as a result of the underlying performance of IRET.

## ADMINISTRATION

### 4. Who administers the Plan?

Investors Real Estate Trust, PO Box 1988, 12 South Main Street, Minot, ND 58702-1988, keeps records, sends statements of account after each purchase to participants, and performs other duties relating to the Plan.

## ELIGIBILITY

### 5. Who is eligible to participate?

- (a) All holders of record of IRET shares are eligible to participate in the Plan.
- (b) All holders of Limited Partnership units in IRET Properties are eligible to participate in the Plan.
- (c) Beneficial owners, whose shares are registered in names other than their own (for instance, in the name of a broker or bank nominee), may participate in the reinvestment of cash distributions on such shares only if their broker or nominee offers the option of participating in the IRET distribution reinvestment program.

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### 6. How is the Plan to be interpreted?

Any question of interpretation arising under the Plan will be determined by IRET and any such determination will be final.

## PARTICIPATION

### 7. How do holders of shares or L. P. units join the Plan?

A holder of record of IRET shares or L. P. units may join the Plan at any time by completing and signing an authorization card and returning it to IRET. An authorization card and a postage-paid return envelope may be obtained at any time by writing to:

Shareholder Relations  
Investors Real Estate Trust  
PO Box 1988

12 South Main Street  
Minot, ND 58702-1988  
(701) 837-4738  
(701) 838-7785 Fax

**8. What does the authorization card provide?**

If you check the appropriate box on the authorization card, you may elect "Full Distribution Reinvestment" and IRET will apply all cash distributions on all shares and/or L. P. units then or subsequently registered in your name toward the purchase of shares.

If you elect to reinvest distributions on only a portion of your shares or L. P. units, you should check the "Partial Distribution Reinvestment" box on the authorization card and IRET will reinvest cash distributions on only the percentage of your distributions that you specify on the authorization card toward the purchase of additional shares, and will pay cash distributions on the rest of your shares or L. P. units.

IRET will reinvest automatically any subsequent distributions on the shares credited to your account under the Plan. The Plan operates so as to reinvest distributions on a cumulative basis on the shares or L. P. units designated on your Authorization Card and on all shares accumulated and held in your Plan account, until you specify otherwise by notice in writing delivered to IRET or withdraw from the Plan altogether, or until the Plan is terminated.

See Question 27 for the tax consequences of sales of shares or L. P. units subject to the Plan.

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**9. What are my options under the Plan?**

By marking the appropriate spaces on the authorization card, you may choose among the following investment options:

- (1) To reinvest cash distributions automatically at a 5% discount from the Nasdaq closing price on the distribution payment date on all shares and/or L. P. units now and subsequently registered in your name at. (See Question 14 for a description of how this is computed).
- (2) To reinvest cash distributions automatically on less than all of the shares and/or L. P. units registered in your name (a specified percentage) at a 5% discount from the Nasdaq closing price on the distribution payment date. (See Question 14 for a description of how this is computed and to continue to receive cash distributions on the remaining shares or L. P. units.)

**10. May I change options under the Plan?**

Yes. You may change options under the Plan at any time by completing and signing a new authorization card and returning it to IRET. The answer to Question 6 outlines how to obtain an authorization card and return envelope. Any change concerning the reinvestment of distributions must be received by IRET no later than ten days prior to the record date for a distribution in order for the change to become effective with that distribution.

**11. When will investment of distributions respecting IRET shares or L. P. units start?**

If your authorization card is received by IRET ten calendar days prior to the record date for determining the holders of shares or L. P. units entitled to receive the next distribution, reinvestment of your distributions will commence with that distribution. If your authorization card is received subsequent to ten calendar days prior to the record date,



reinvestment of your distributions (or designated portion thereof) will not start until payment of the next following distribution. The record dates for distribution payments on the shares and L. P. units are generally on or about January 15, April 1, July 1, and October 1.

## PURCHASES

### **12. What is the source of IRET shares purchased for me under the Plan?**

Shares purchased by you under the Plan will come either from shares purchased by IRET on the NASDAQ for the Distribution Reinvestment Plan or, from authorized but unissued IRET shares under this Registration.

### **13. When will distributions be invested in additional shares?**

Reinvestment of distributions will be made as soon as practical after the distribution becomes payable, but in no event later than three business days after the distribution payment date. Participants will become owners of shares purchased under the Plan as soon as practical after the distribution payment date.

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### **14. What will be the price of shares purchased under the Plan?**

The shares are traded on the NASDAQ National Market. The reinvestment price will be set at 95% of the Nasdaq closing price on the day of the distribution.

### **15. How will the number of shares purchased for me be determined?**

The number of shares that will be purchased for you will depend on the amount of your distribution to be invested and the applicable purchase price of the shares that results from dividing the distribution to be invested by the purchase price. Fractional shares will be credited to your account. At any time when you withdraw from the Plan or request all shares to be transferred to your name, any fractional shares will be paid in cash.

## COSTS

### **16. Are there any costs to me for my purchases under the Plan?**

There are no brokerage fees for purchases of shares under the Plan because shares are either purchased directly from IRET or IRET has agreed to pay any applicable brokerage fees on behalf of Plan participants. All costs of administration of the Plan will be paid by IRET. However, those participants whose shares are held by a broker or other nominee most likely will incur some fees and costs. Brokers and nominees may impose charges or fees in connection with their handling of participation in the Plan by nominee and fiduciary accounts.

## DISTRIBUTIONS

### **17. Will distributions be paid on shares held in my Plan account?**

Yes. Cash distributions on shares credited to your account are automatically reinvested in additional shares and credited to your account.

## REPORTS TO PARTICIPANTS

**18. What reports will be sent to participants in the Plan?**

Following each purchase of shares for your account, IRET will mail to you a statement of account showing amounts invested, the purchase price (see Question 14), the number of shares purchased, and other information for the year to date. Each participant will receive a Form 1099 showing income reportable for Federal income tax purposes following the final purchase in each calendar year (see Question 27). These statements are your record of the cost of your purchases and should be retained for income tax and other purposes. In addition, during the year you will receive copies of the same communications sent to all other holders of shares.

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**CERTIFICATES FOR SHARES**

**19. Will I receive certificates for shares purchased under the Plan?**

Shares purchased by IRET for your account will be registered in the name of IRET's nominee and certificates for such shares will not be issued to you until requested. The total number of shares credited to your account will be shown on each statement of account. This custodial service helps to protect you against the risk of loss, theft or destruction of stock certificates.

Certificates for any number of whole shares credited to your account will be issued to you at any time upon written request to IRET. Cash distributions with respect to shares represented by certificates issued to you will continue to be automatically reinvested. Any remaining shares will continue to be credited to your account.

If the written request to IRET is for certificates to be issued for all shares credited to your account, any fractional share will be paid in cash.

Certificates for fractions of shares will not be issued under any circumstances.

**20. May shares in my Plan account be pledged?**

No. You must first request that certificates for shares credited to your Plan account be issued to you before you can pledge such shares. (See Question 21.)

**21. In whose name will certificates be registered and issued?**

When issued, certificates for shares will be registered in the name in which your Plan account is maintained. For holders of record, this generally will be the name or names in which your share certificates or L. P. units are registered at the time you enroll in the Plan. Upon written request, shares will be registered in any other name, upon the presentation to IRET of evidence of compliance with all applicable transfer requirements (including the payment of any applicable transfer taxes).

**WITHDRAWAL FROM THE PLAN**

**22. When may I withdraw from the Plan?**

You may withdraw from the Plan at any time. If your request to withdraw is received by IRET ten calendar days prior to the record date for determining the holders entitled to receive the next distribution respecting any shares or L. P. units held by you, your request will be processed following receipt of the request by IRET. If your request to withdraw is received by IRET subsequent to ten calendar days prior to the record date for determining the holders

entitled to receive the next distribution respecting such shares or L. P. units but before payment of the distribution, the distribution will be reinvested for your account and your request for withdrawal will be processed promptly thereafter.

After your request for withdrawal has become effective, all distributions will be paid in cash to you unless and until you re-enroll in the Plan, which you may do at any time.

### **23. How do I withdraw from the Plan?**

In order to withdraw from the Plan, you must send a letter stating that you wish to withdraw to:

Shareholder Relations  
Investors Real Estate Trust  
PO Box 1988  
12 South Main Street  
Minot, ND 58702-1988  
(701) 837-4738  
(701) 838-7785 Fax

When you withdraw from the Plan, or upon termination of the Plan by IRET, certificates for shares credited to your account under the Plan will be issued to you. Any fractional shares will be paid in cash.

### **OTHER INFORMATION**

#### **24. What happens if I sell or transfer shares or L. P. units registered in my name?**

If you dispose of all shares or L. P. units registered in your name, the distributions on the shares credited to your Plan account will continue to be reinvested until you notify IRET that you wish to withdraw from the Plan.

#### **25. What happens if IRET issues a stock distribution declares a stock split or has a rights offering?**

Any stock distributions or split shares distributed by IRET on shares credited to your Plan account will be added to your account. Stock distributions or split shares distributed on shares or L. P. units for which you hold certificates will be mailed directly to you in the same manner as to shareholders who are not participating in the Plan.

In a regular rights offering, as a holder of record you will receive rights based upon the total number of shares or L. P. units owned; that is, the total number of shares or L. P. units for which you hold certificates and the total number of shares held in your Plan account.

#### **26. Can I vote shares in my Plan account at meetings of shareholders?**

Yes. You will receive a proxy for the total number of shares held, both the shares for which you hold certificates and those credited to your Plan account. The total number of shares held may also be voted in person at a meeting.

If the proxy is not returned or if it is returned unsigned, none of your shares will be voted unless you vote in person.

#### **27. What are the Federal income tax consequences of participation in the Plan?**

Under Internal Revenue Service rulings in connection with similar plans, distributions reinvested will be treated as taxable notwithstanding the distributions being reinvested in shares. Under prior Internal Revenue Service rulings, it was assumed that the 5% discount was also taxable.

Recent Internal Revenue Service rulings suggest that the 5% discount is a reduced taxable basis for the shares received. Shareholders should consult their own tax consultant on the proper tax treatment of the discount. Distributions by real estate investment trusts are treated as distributions to the extent a real estate investment trust has earnings and profits for Federal income tax purposes. To the extent that the amount so distributed by IRET exceeds the current and accumulated earnings and profits of IRET, such excess would be treated for Federal income tax purposes as a return of capital to the shareholder. Each participant will receive a Form 1099 showing total distribution income, the amount of any return of capital distribution and the amount of any capital gain distribution for the year.

The holding period of shares acquired under the Plan, whether purchased with distributions or optional cash payments, will begin on the day following the date on which the shares were purchased for your account.

As a participant in the Plan, you will not realize any taxable income when you receive certificates for whole shares credited to your account, either upon your request for such certificates or upon withdrawal from or termination of the Plan. However, you will recognize gain or loss (which, for most participants, will be capital gain or loss) when whole shares acquired under the Plan are sold or exchanged after your withdrawal from or the termination of the Plan. If such gain or loss is capital, it will be long-term capital gain or loss if the shares sold are held for more than one year and will be short-term capital gain or loss if the shares sold are held for one year or less.

#### **28. What is the responsibility of IRET under the Plan?**

IRET will not accept liability for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability arising out of failure to terminate a participant's account upon such participant's death prior to receipt of notice in writing of such death.

**IRET CANNOT ASSURE YOU OF A PROFIT OR PROTECT YOU AGAINST A LOSS ON SHARES PURCHASED UNDER THE PLAN.**

#### **29. How are income tax withholding provisions applied to participants?**

In the case of foreign participants who elect to have their distributions reinvested and whose distributions are subject to United States income tax withholding, an amount equal to the distributions payable to such participants who elect to reinvest distributions, less the amount of tax required to be withheld, will be applied by IRET to the purchase of shares. A Form 1042S, mailed to each foreign participant after the final purchase of the calendar year, will show the amount of tax withheld in that year. A Form 1099 will be mailed to domestic participants in the event that Federal income tax withholding is imposed in the future on distributions to domestic participants.

#### **30. May the Plan be changed or discontinued?**

IRET reserves the right to modify, suspend or terminate the Plan at any time. All participants will receive notice of any such action. Any such modification, suspension or termination will not, of course, alter previously executed

transactions. IRET also reserves the right to adopt, and from time to time change, such administrative rules and regulations (not inconsistent in substance with the basic provisions of the Plan then in effect), as it deems desirable or appropriate for the administration of the Plan.

The purpose of the Plan is to provide shareholders with a systematic and convenient method of investing distributions for long-term investment. Use of the Plan for any other purpose is prohibited.

### **USE OF PROCEEDS**

IRET has no basis for estimating either precisely the number of shares that ultimately may be sold pursuant to the Plan or the prices at which such shares will be sold. However, IRET proposes to use the net proceeds from the sale of shares pursuant to the Plan, when and as received, to make investments in real estate and for other business purposes. IRET considers the Plan to be a cost-effective means of expanding its equity capital base and furthering its investment objectives while at the same time benefiting holders of its shares.

### **EXPERTS**

The consolidated balance sheets of IRET as of April 30, 2002, and 2001 and consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended April 30, 2002, included in IRET's Annual Report on Form 10-K405, have been incorporated by reference herein and in the registration statement in reliance upon the report of Brady, Martz & Associates, P.C., independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

### **INDEMNIFICATION**

The Second Restated Declaration of Trust of IRET dated February 10, 1999, indemnifies its Trustees and agents against certain expenses, judgments, fines, and amounts incurred in connection with such person's employment by IRET. IRET's Second Restated Declaration of Trust provides for indemnification of trustees and officers to the full extent permitted or allowed under North Dakota law.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to Trustees, officers or persons controlling IRET pursuant to the foregoing provisions, IRET has been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

## **PART II**

### **INFORMATION NOT REQUIRED IN PROSPECTUS**

#### **Item 14. Other Expenses of Issuance and Distribution**

The following table sets forth the costs and expenses payable by the Registrant in connection with the sale and distribution of the securities being registered. All of the amounts shown are estimates except the Securities and Exchange Commission's registration fee and the NASDAQ listing fee.

Registration Fee	\$	209.79
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NASDAQ Listing Fee	5,000.00
Legal Fees and Expenses	1,000.00
Printing Expenses	0.00
Miscellaneous	<u>500.00</u>
TOTAL	\$ 6,709.79

**Item 15. Indemnification of Directors and Officers**

Under its Second Restated Declaration of Trust, dated February 10, 1999, Indemnification of Trustees is as follows:

- A. Indemnification of Trustees.
1. IRET shall indemnify and hold harmless each trustee, advisor or affiliate from and against all claims and liabilities, whether they proceed to judgment or are settled, to which such trustee, advisor or affiliate may become subject by reason of his being or having been a trustee, advisor or affiliate, or by reason of any action alleged to have been taken or omitted by him as trustee, advisor or affiliate, and shall reimburse him for all legal and other expenses reasonably incurred by him in connection with any such claim or liability. IRET shall not provide for indemnification of the trustees, advisors or affiliates for any liability or loss suffered by the trustees, advisors or affiliates, nor shall it provide that the trustees, advisors or affiliates be held harmless for any loss or liability suffered by IRET, unless all of the following conditions are met:
    - a. The trustees, advisors, or affiliates have determined, in good faith, that the course of conduct, which caused the loss or liability, was in the best interests of IRET.
    - b. The trustees, advisors, or affiliates were acting on behalf of or performing services for IRET.
- 
- c. Such liability or loss was not the result of:
    - i. negligence or misconduct by the trustees, excluding the independent trustees, advisors or affiliates; or
    - ii. gross negligence or willful misconduct by the independent trustees.
  - d. Such indemnification or agreement to hold harmless is recoverable only out of IRET net assets and not from shareholders.
2. Notwithstanding anything to the contrary contained in this document or elsewhere, the Trustees, Advisors or affiliates and any persons acting as a broker-dealer shall not be indemnified by IRET for any losses, liabilities or expenses arising from or out of an alleged violation of federal or state securities laws by such party unless one or more of the following conditions are met:
    - a. There has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee.
    - b.

Such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee.

- c. A court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the Securities and Exchange Commission and of the published position of any state securities regulatory authority in which securities of IRET were offered or sold as to indemnification for violations of securities laws.
3. The advancement of IRET funds to the trustees, advisors or affiliates for legal expenses and other costs incurred for which indemnification is being sought is permissible only if all of the following conditions are satisfied:
- a. The legal action relates to acts or omissions with respect to the performance of duties or services on behalf of IRET.
  - b. The legal action is initiated by a third party who is not a shareholder or the legal action is initiated by a shareholder acting in his or her capacity as such and a court of competent jurisdiction specifically approves such advancement.
  - c. The trustees, advisors, or affiliates undertake to repay the advanced funds to IRET, together with the applicable legal rate of interest thereon, in cases in which such trustees, advisors, or affiliates are found not to be entitled to indemnification.

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#### Item 16. Exhibits

<b>Exhibit Number filed herewith:</b>	<b>Description of Exhibit</b>
3.1	Second Restated Declaration of Trust dated February 10, 1999. (incorporated by reference to Exhibit 3(i) of the Registration Statement on Form S-11 of the Registrant - filed May 11, 1999, with the SEC - File No. 333.78233)
4	Specimen Authorization Card
5	Opinion of Pringle & Herigstad, P.C.
23.1	Consent of Brady, Martz & Associates, P.C.
23.2	Consent of Pringle & Herigstad, P.C. (included in Exhibit 5)

#### Item 17. Undertakings

- A. IRET hereby undertakes:
1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
    - i. To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended;
    - ii. To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which,

individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

- iii. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

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2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
  - b. The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
  - c. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the Registrant's Second Restated Declaration of Trust, and North Dakota Law, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3D POS and has duly caused this S-3D POS Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Minot, North Dakota, on April 3, 2003.

**INVESTORS REAL ESTATE TRUST**

By: /s/Thomas A. Wentz, Sr.  
Thomas A. Wentz, Sr.  
Its: President & Chief Executive Officer

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
<u>/s/Jeffrey L. Miller</u> Jeffrey L. Miller	Trustee and Chairman	April 4, 2003
<u>/s/C. Morris Anderson</u> C. Morris Anderson	Trustee and Vice Chairman	April 4, 2003
<u>/s/Daniel L. Feist</u> Daniel L. Feist	Trustee and Vice Chairman	April 4, 2003
<u>/s/Steven B. Hoyt</u> Steven B. Hoyt	Trustee	April 4, 2003
<u>/s/John F. Decker</u> John F. Decker	Trustee	April 4, 2003
	Trustee	April 4, 2003

/s/Patrick G. Jones  
Patrick G. Jones

/s/Stephen L. Stenehjem  
Stephen L. Stenehjem

/s/Charles Wm. James  
Charles Wm. James

/s/Timothy P. Mihalick  
Timothy P. Mihalick

/s/Thomas A. Wentz, Jr.  
Thomas A. Wentz, Jr.

/s/Michael A. Bosh  
Michael A. Bosh

Trustee

April 4, 2003

Trustee

April 4, 2003

Trustee, Senior Vice President &  
Chief Operating Officer

April 4, 2003

Trustee, Senior Vice President &  
General Counsel

April 4, 2003

Secretary & Associate General  
Counsel

April 4, 2003

### EXHIBIT INDEX

**Exhibit Number filed herewith:**

**Description of Exhibit**

3.1	Second Restated Declaration of Trust dated February 10, 1999. (incorporated by reference to Exhibit 3(i) of the Registration Statement on Form S-11 of the Registrant - filed May 11, 1999, with the SEC - File No. 333.78233)
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23.2	Consent of Pringle & Herigstad, P.C. (included in Exhibit 5)

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/TD>2,066

Cash at end of period  
\$2,127 \$3,474

Supplemental disclosure:

Accrual for cash dividends declared but not paid

\$355 \$361

See Notes to Unaudited Condensed Consolidated Financial Statements.

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**VIRCO MFG. CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**  
**October 31, 2009**

**Note 1. Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months and nine months ended October 31, 2009, are not necessarily indicative of the results that may be expected for the fiscal year ending January 31, 2010. The balance sheet at January 31, 2009 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2009 ( Form 10-K ). All references to the Company refer to Virco Mfg. Corporation and its subsidiaries.

**Note 2. Seasonality**

The market for educational furniture and equipment is marked by extreme seasonality, with over 50% of the Company's total sales typically occurring from June to September each year, which is the Company's peak season. Hence, the Company typically builds and carries significant amounts of inventory during and in anticipation of this peak summer season to facilitate the rapid delivery requirements of customers in the educational market. This requires a large up-front investment in inventory, labor, storage and related costs as inventory is built in anticipation of peak sales during the summer months. As the capital required for this build-up generally exceeds cash available from operations, the Company has historically relied on third-party bank financing to meet cash flow requirements during the build-up period immediately proceeding the peak season.

In addition, the Company typically is faced with a large balance of accounts receivable during the peak season. This occurs for two primary reasons. First, accounts receivable balances typically increase during the peak season as shipments of products increase. Second, many customers during this period are government institutions, which tend to pay accounts receivable more slowly than commercial customers.

The Company's working capital requirements during and in anticipation of the peak summer season require management to make estimates and judgments that affect assets, liabilities, revenues and expenses, and related contingent assets and liabilities. On an on-going basis, management evaluates its estimates, including those related to market demand, labor costs, and stocking inventory.

**Note 3. New Accounting Standards**

In August 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-05 ( ASU 2009-05 ), an update to ASC 820, Fair Value Measurements and Disclosures. ASU 2009-05 amends ASC 820 by providing additional guidance (including illustrative examples) clarifying the measurement of liabilities at fair value. When a quoted price in an active market for the identical liability is not available, the amendments in ASU 2009-05 require that the fair value of a liability be measured using one or more of the listed valuation techniques that should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. In addition, the amendments in ASU 2009-05 clarify that when estimating the fair value of a liability, an entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The amendments also clarify how the price of a traded debt security, (i.e., an asset value) should be considered in estimating the fair value of the issuer's liability. The amendments in ASU 2009-05 are effective the first reporting period (including interim periods) beginning after its issuance, or as of October 4, 2009 for the Company. The Company does not expect the adoption will have a material impact to the financial statements.

In June 2009, the FASB issued FAS 167 now codified as ASC 810 Amendments to FASB Interpretation No. 46(R) , the objective of which is to improve financial reporting by enterprises involved with variable interest entities. FAS

167 is effective for annual reporting periods that begin after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Early application is not permitted. We expect to adopt this statement during our fiscal 2010 first quarter. The adoption of this statement is not expected to have a material impact on our financial position or results of operations.

In July 2009, we adopted Statement of Financial Accounting Standard (SFAS) 165 now codified as FASB ASC Topic 855 *Subsequent Events*, which establishes accounting and reporting standards for events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In addition, FASB ASC Topic 855 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. FASB ASC Topic 855 was effective for fiscal years and interim periods ending after June 15, 2009. The adoption of FASB ASC Topic 855 did not have a material impact on the Company's consolidated financial statements.

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In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* (SFAS No. 168). SFAS No. 168 establishes the FASB Accounting Standards Codification (the Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial standards in conformity with US GAAP. Rules and interpretive releases of the Securities and Exchange Commission ( SEC ) under authority of federal securities laws are also sources of authoritative US GAAP for SEC registrants. SFAS No. 168 is effective for financial statements issued by us for interim and annual periods after September 15, 2009. On the effective date of SFAS No. 168, all then-existing non-SEC accounting and reporting standards are superseded, with the exception of certain promulgations listed in SFAS No. 168. The adoption of SFAS No. 168 did not have a significant effect on our condensed consolidated financial statements as the purpose of the Codification is not to create new accounting and reporting guidance. Rather, the Codification is meant to simplify user access to all authoritative US GAAP. References to US GAAP in our published financial statements included herein have been updated, as appropriate, to cite the Codification.

In June 2008, the FASB issued EITF 03-6-1 now codified as ASC 260-10 *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* . Under FASB ASC Topic 505, unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, whether they are paid or unpaid, are considered participating securities and should be included in the computation of earnings per share pursuant to the two-class method. FASB ASC Topic 505 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. FASB ASC Topic 505 also requires all prior period earnings per share data presented to be adjusted retrospectively and early application is not permitted. The Company adopted FASB ASC Topic 505 on February 1, 2009 and the adoption did not have an impact on its financial statements.

In September 2006, the FASB issued SFAS No. 157, which is now codified as FASB ASC Topic 820, *Fair Value Measurements* . This standard defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. FASB ASC Topic 820 is effective for financial statements issued for fiscal years beginning after November 15, 2007, which is the fiscal year beginning February 1, 2008, for the Company. The Company adopted FASB ASC Topic 820 effective February 1, 2008. The adoption of FASB ASC Topic 820 for financial assets and liabilities held by the Company did not have a material effect on the Company's financial statements or notes thereto.

In February 2008, the FASB issued FSP FAS 157-2, which is now codified as FASB ASC Topic 820, *Fair Value Measurements* permits a one year deferral of the application of SFAS No. 157 for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company adopted SFAS No. 157 for non-financial assets and non-financial liabilities on February 1, 2009 and the provisions did not have a material effect on the Company's results of operations, financial position or cash flows.

In December 2007, the FASB issued SFAS No. 141 (Revised) now codified as FASB ASC Topic 805, *Business Combinations* and SFAS No. 160 now codified as FASB ASC Topic 810, *Non-controlling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51 ( FASB ASC Topic 810 )*. FASB ASC Topic 805 broadens its scope by applying the acquisition method to all transactions and other events in which one entity obtains control over one or more other businesses, and requires, among other things, that assets acquired and liabilities assumed be measured at fair value as of the acquisition date, that liabilities related to contingent considerations be recognized at the acquisition date and remeasured at fair value in each subsequent reporting period, that acquisition-related costs be expensed as incurred, and that income be recognized if the fair value of the net assets acquired exceeds the fair value of the consideration transferred. FASB ASC Topic 810 establishes accounting and reporting standards for non-controlling interests (i.e., minority interests) in a subsidiary, including changes in a parent's ownership interest in a subsidiary and requires, among other things, that non-controlling interests in subsidiaries be classified as a separate component of equity. Except for the presentation and disclosure requirements which are to be applied retrospectively for all periods presented, FASB ASC Topic 805 and FASB ASC Topic 810 are to be applied prospectively in financial statements issued for fiscal years beginning after December 15, 2008. The adoption of FASB ASC Topic 805 and

FASB ASC Topic 810 on February 1, 2009 did not have any material impact on the Company's financial statements. In March 2008, the FASB issued SFAS No. 161 now codified as FASB ASC Topic 815, Disclosures about Derivative Instruments and Hedging Activities ( FASB ASC Topic 815 ). FASB ASC Topic 815 requires companies with derivative instruments to disclose information that should enable readers of financial statements to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under FASB ASC Topic 815 and how derivative instruments and related hedged items affect a company's financial position, financial performance and cash flows. FASB ASC Topic 815 was effective for the Company on February 1, 2009. The adoption of FASB ASC Topic 815 did not have an effect on the Company's financial position, results of operations or cash flows.

**Note 4. Inventories**

Fiscal year end financial statements at January 31, 2009 reflect inventories verified by physical counts with the material content valued by the LIFO method. At October 31, 2009 and 2008, there were no physical verifications of inventory quantities. Cost of sales is recorded at current cost. The effect of penetrating LIFO layers is not recorded at interim dates unless the reduction in inventory is expected to be permanent. No such adjustments have been made for the three-month or nine-month periods ended October 31, 2009 and 2008. LIFO reserves at October 31, 2009, January 31, 2009 and October 31, 2008 were \$9,531,000, \$9,531,000 and \$7,193,000, respectively. Management continually monitors production costs, material costs and inventory levels to determine that interim inventories are fairly stated.

**Note 5. Debt**

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As of January 31, 2009, the Company had outstanding borrowings under a revolving credit facility that the Company maintains with Wells Fargo Bank, National Association ( Wells Fargo ) pursuant to the Second Amended and Restated Credit Agreement dated as of March 12, 2008 between the Company and Wells Fargo (the Credit Agreement ), as amended by Amendment No. 1 thereto dated as of July 31, 2008 ( Amendment No. 1 ).

Effective as of March 27, 2009, the Company entered into Amendment No. 2 to the Credit Agreement ( Amendment No. 2 ). The Credit Agreement, as amended by Amendment No. 1 and Amendment No. 2, provides the Company with a secured revolving line of credit (the Revolving Credit ) of up to \$65,000,000, with seasonal adjustments to the credit limit and additional asset-based borrowing-base limitations thereto, and includes a sub-limit of up to \$10,000,000 (subject to asset-based borrowing-base limitations) for the issuance of letters of credit. The Revolving Credit is secured by the maintenance by Wells Fargo of a first priority perfected security interest in certain of the personal and real property of the Company and its subsidiaries.

The Revolving Credit will mature on March 1, 2011. Interest under the Revolving Credit is payable monthly at a fluctuating rate equal to Wells Fargo's prime rate or LIBOR, plus a fluctuating margin. The margin above prime or LIBOR varies with trailing 12 months EBITDA, with maximum fluctuating margins of prime + 1% or LIBOR + 3.5%. The Revolving Credit is also subject to a default interest rate of an additional 4% and provides for an unused commitment fee of 0.375%.

The Revolving Credit with Wells Fargo is subject to various financial covenants including a maximum leverage ratio, a minimum ratio of assets to liabilities, and a minimum interest coverage ratio. The Revolving Credit also includes additional restrictions, including, without limitation, restrictions on capital expenditures, additional indebtedness, dividends and the repurchase of the Company's common stock. The Revolving Credit facility is secured by certain of the Company's and its subsidiaries' accounts receivable, inventories, equipment and real property. Availability under the Revolving Credit line was \$20,111,000 as of October 31, 2009 and the Company was in compliance with its covenants as of such date.

The descriptions set forth herein of the Credit Agreement, Amendment No. 1 and Amendment No. 2 are qualified in their entirety by the terms of such agreements, each of which has been filed with the SEC.

**Note 6. Income Taxes**

There were no significant increases or decreases in the unrecognized tax benefits during the three months and nine months ended October 31, 2009. As of October 31, 2009, the Company does not believe there are any positions for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months.

The Internal Revenue Service (the "IRS") has completed the examination of all federal income tax returns through 2003 with no issues pending or unresolved. The years 2005 through 2008 remain open for examination by the IRS. The Company is under the examination by the IRS for its 2006 federal income tax return. The years 2003 through 2008 remain open for examination by state tax authorities. The Company is not currently under state examination.

At January 31, 2009, the Company had gross operating loss carryforwards for federal and state income tax purposes, expiring at various dates through 2028. Federal gross operating losses that can potentially be carried forward totaled approximately \$3,438,000 at January 31, 2009. State gross operating losses that can potentially be carried forward totaled approximately \$26,648,000 at January 31, 2009. The Company has determined that it is more likely than not that some portion of the state net operating loss and credit carryforwards will not be realized and has provided a valuation allowance of \$927,000 on deferred tax assets at January 31, 2009 and October 31, 2009. The Company evaluates the valuation allowance on a quarterly basis.

**Note 7. Net Income per Share**

	Three Months Ended		Nine Months Ended	
	10/31/2009	10/31/2008	10/31/2009	10/31/2008
	(In thousands, except per share data)			
Net income	\$ 2,905	\$ 3,780	\$ 3,964	\$ 4,436



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Average shares outstanding	14,162	14,467	14,172	14,443
Net effect of dilutive stock options based on the treasury stock method using average market price	20	18	10	24
Totals	14,182	14,485	14,182	14,467
Net income per share basic	\$ 0.21	\$ 0.26	\$ 0.28	\$ 0.31
Net income per share diluted	0.20	0.26	0.28	0.31
<b>Note 8. Stock Based Compensation</b>	10			

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**Table of Contents****Stock Incentive Plans**

The Company's two stock incentive plans are the 2007 Stock Incentive Plan (the "2007 Plan") and the 1997 Stock Incentive Stock Plan (the "1997 Plan"). Under the 2007 Plan, the Company may grant an aggregate of 1,000,000 shares to its employees and non-employee directors in the form of stock options or awards. Restricted stock or stock units awarded under the 2007 Plan are expensed ratably over the vesting period of the awards. There were no grants during the three months ended October 31, 2009. There were approximately 256,615 shares available for future issuance under the 2007 Plan as of October 31, 2009.

The 1997 Plan expired in 2007 and had 12,100 unexercised options outstanding at October 31, 2009. Pursuant to the terms of the 1997 Plan, stock options were required to be awarded to employees at exercise prices equal to the fair market value of the Company's common stock on the date of grant. Stock options generally have a maximum term of 10 years and generally become exercisable ratably over a five-year period.

**Restricted Stock and Stock Unit Awards****Accounting for the Plans**

Summary of restricted stock and stock unit awards at October 31, 2009 and 2008:

	Expense for 3 months ended		Expense for 9 months ended		Unrecognized Compensation
	10/31/2009	10/31/2008	10/31/2009	10/31/2008	Cost at 10/31/2009
<b>2007 Stock Incentive Plan</b>					
Grants of 49,854 Shares of Restricted Stock, issued 6/16/2009, vesting over 1 year	\$ 44,000	\$	\$ 73,000	\$	\$ 102,000
Grants of 382,500 Shares of Restricted Stock, issued 6/16/2009, vesting over 5 years	67,000		112,000		1,227,000
Grants of 262,500 Restricted Stock Units, issued 6/19/2007, vesting over 5 years	89,000	89,000	267,000	266,000	921,000
Grants of 35,644 Shares of Restricted Stock, issued 6/17/2008, vesting over 1 year		44,000	58,000	73,000	
Grants of 12,887 Shares of Restricted Stock, issued 6/19/2007, vesting over 1 year				29,000	
<b>1997 Stock Incentive Plan</b>					
Grants of 270,000 Restricted Stock Units, issued 6/30/2004, vesting over 5 years		88,000	147,000	266,000	

Totals for the period	\$200,000	\$221,000	\$657,000	\$634,000	\$2,250,000
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**Stockholders Rights Plan**

On October 15, 1996, the Board of Directors declared a dividend of one preferred stock purchase right (the Rights ) for each outstanding share of the Company s common stock. Each of the Rights entitles a stockholder to purchase for an exercise price of \$50.00 (\$20.70, as adjusted for stock splits and stock dividends), subject to adjustment, one one-hundredth of a share of Series A Junior Participating Cumulative Preferred Stock of the Company, or under certain circumstances, shares of common stock of the Company or a successor company with a market value equal to two times the exercise price. The Rights are not exercisable, and would only become exercisable for

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all other persons when any person has acquired or commences to acquire a beneficial interest of at least 20% of the Company's outstanding common stock. The Rights have no voting privileges, and may be redeemed by the Board of Directors at a price of \$.001 per Right at any time prior to the acquisition of a beneficial ownership of 20% of the outstanding common shares. There are 200,000 shares (483,153 shares as adjusted by stock splits and stock dividends) of Series A Junior Participating Cumulative Preferred Stock reserved for issuance upon exercise of the Rights. On July 31, 2007, the Company and Mellon Investor Services LLC entered into an amendment to the Rights Agreement governing the Rights. The amendment, among other things, extended the term of the Rights issued under the Rights Agreement to October 25, 2016, removed the dead-hand provisions from the Rights Agreement, and formally replaced the former Rights Agent, The Chase Manhattan Bank, with its successor-in-interest, Mellon Investor Services LLC.

**Note 9. Comprehensive Income (Loss)**

Comprehensive income for the three months and nine months ended October 31, 2009 and 2008 was the same as net income reported on the statements of operations. Accumulated comprehensive loss at October 31, 2009 and 2008 and January 31, 2009 is composed of minimum pension liability adjustments.

**Note 10. Retirement Plans**

The Company and its subsidiaries cover all employees under a noncontributory defined benefit retirement plan, entitled the Virco Employees' Retirement Plan (the Pension Plan). Benefits under the Pension Plan are based on years of service and career average earnings. As more fully described in the Form 10-K, benefit accruals under the Pension Plan were frozen effective December 31, 2003.

The Company also provides a supplementary retirement plan for certain key employees, the VIP Retirement Plan (the VIP Plan). The VIP Plan provides a benefit of up to 50% of average compensation for the last five years in the VIP Plan, offset by benefits earned under the Pension Plan. As more fully described in the Form 10-K, benefit accruals under this plan were frozen effective December 31, 2003.

The Company also provides a non-qualified plan for non-employee directors of the Company (the Non-Employee Directors Retirement Plan). The Non-Employee Directors Retirement Plan provides a lifetime annual retirement benefit equal to the director's annual retainer fee for the fiscal year in which the director terminates his or her position with the Board, subject to the director providing 10 years of service to the Company. As more fully described in the Form 10-K, benefit accruals under the Non-Employee Directors Retirement Plan were frozen effective December 31, 2003.

The net periodic pension costs for the Pension Plan, the VIP Plan, and the Non-Employee Directors Retirement Plan for the three months and nine months ended October 31, 2009 and 2008 were as follows (in thousands):

	Three Months Ended October 31,					
	Pension Plan		VIP Plan		Non-Employee Directors Retirement Plan	
	2009	2008	2009	2008	2009	2008
Service cost	\$	\$	\$	\$	\$	\$ 5
Interest cost	367	388	85	90	7	8
Expected return on plan assets	(179)	(300)				
Amortization of transition amount						
Amortization of prior service cost	128	138	(79)	(80)		
Recognized net actuarial loss or (gain)	231	50	24	40	(46)	(8)
Settlement and curtailment						

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Net periodic pension cost (benefit)	\$ 547	\$ 276	\$ 30	\$ 50	\$(39)	\$ 5
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Nine Months Ended October 31,

	Pension Plan		VIP Plan		Non-Employee Directors Retirement Plan	
	2009	2008	2009	2008	2009	2008
Service cost	\$	\$	\$	\$	\$	\$ 15
Interest cost	1,101	1,164	255	270	21	24
Expected return on plan assets	(537)	(900)				
Amortization of transition amount						
Amortization of prior service cost	384	414	(237)	(240)		
Recognized net actuarial loss or (gain)	693	150	72	120	(138)	(24)
Settlement and curtailment						
Net periodic pension cost (benefit)	\$1,641	\$ 828	\$ 90	\$ 150	\$(117)	\$ 15

**Table of Contents****Note 11. Warranty**

The Company accrues an estimate of its exposure to warranty claims based upon both current and historical product sales data and warranty costs incurred. The majority of the Company's products sold through January 31, 2005 carry a five-year warranty. Effective February 1, 2005, the Company extended its standard warranty period to 10 years. The Company periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. The warranty liability is included in accrued liabilities in the accompanying consolidated balance sheets. The following is a summary of the Company's warranty claim activity for the three months and nine months ended October 31, 2009 and 2008:

	Three Months Ended		Nine Months Ended	
	10/31/2009	10/31/2008	10/31/2009	10/31/2008
	(In thousands)			
Beginning Accrued Warranty Balance	\$ 1,800	\$ 2,000	\$ 1,950	\$ 1,750
Provision	354	354	720	1,309
Costs Incurred	(354)	(354)	(870)	(1,059)
Ending Accrued Warranty Balance	\$ 1,800	\$ 2,000	\$ 1,800	\$ 2,000

**Note 12. Subsequent Events**

The Company has evaluated events subsequent to October 31, 2009 to assess the need for potential recognition or disclosure in this Report. Such events were evaluated through December 10, 2009, the date these financial statements were issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

**Table of Contents****VIRCO MFG. CORPORATION****Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**  
**Results of Operations**

The Company's order rates and results of operations for the first nine months of fiscal 2009 were adversely impacted by economic conditions in the United States, and the related impact on tax receipts that fund public school expenditures. According to BIFMA (Business and Institutional Furniture Manufacturers Association), for the first nine calendar months of 2009, shipments of office furniture declined by approximately 30.4%. During the first three months of the Company's 2009 fiscal year, order rates did not decline significantly compared to the prior year, with orders declining by approximately 3.4%. The reduction in order rate accelerated during the second and third quarters. During the second quarter of the Company's 2009 fiscal year, order rates declined by approximately 17.1% compared to the prior year. During the third quarter of the Company's 2009 fiscal year, order rates declined by approximately 13.7% compared to the prior year. For the first nine months of fiscal 2009, orders declined by approximately 12.4% compared to the prior year. In addition, for the first nine months of the year, sales were not significantly impacted by money distributed to schools by the American Recovery and Reinvestment Act.

For the three months ended October 31, 2009, the Company earned a pre-tax profit of \$3,545,000 on sales of \$62,920,000 compared to a pre-tax profit of \$6,387,000 on sales of \$74,866,000 in the same period last year. Sales for the three months ended October 31, 2009 decreased by \$11,946,000, a 16.0% decrease, compared to the same period last year. Incoming orders for the same period decreased by approximately 13.7% compared to the prior year. Backlog at October 31, 2009 decreased by approximately 14.0% compared to the prior year. The reduction in sales was attributable to a reduction in unit volume. Sales of project related business was stable; while non-project related business activity declined.

Gross margin for the three months ended October 31, 2009 as a percentage of sales increased to 33.4% compared to 32.7% in the prior year. The increase in gross margin was attributable to lower raw material costs compared to the prior year period, offset slightly by manufacturing variances. Production hours and the related absorption of factory overhead decreased by approximately 11.5% compared to the prior period.

Selling, general and administrative expense for the three months ended October 31, 2009 decreased by approximately \$1,664,000 to \$17,204,000 compared to \$18,868,000 in the same period last year, but increased as a percentage of sales. The decrease in selling, general and administrative expense was primarily attributable to decreased variable expenses for freight and field service expenses. In the prior year, the Company benefited from a \$1,131,000 gain on sale of real estate in the third quarter. The third quarter ended October 31, 2009 did not include a comparable gain. Interest expense decreased by approximately \$74,000 compared to the same period last year as a result of reduced interest rates and reduced levels of borrowing.

For the nine months ended October 31, 2009, the Company earned a pre-tax profit of \$5,751,000 on sales of \$164,592,000 compared to a pre-tax profit of \$7,554,000 on sales of \$184,276,000 in the same period last year. Sales for the nine months ended October 31, 2009 decreased by \$19,684,000, or 10.7%, compared to the same period last year. The decrease was attributable to a reduction in sales volume. Order rates for the same period decreased by approximately 12.4%. Sales of project related business was stable, while non-project related business activity declined.

Gross margin as a percentage of sales increased to 33.5% compared to 32.5% in the same period last year. The increase in gross margin was attributable to lower raw material costs compared to the prior year period. Production hours and the related absorption of factory overhead were slightly lower than the same prior year.

Selling, general and administrative expense for the nine months ended October 31, 2009 decreased by approximately \$3,811,000 compared to the same period last year, but increased as a percentage of sales. The decrease in selling, general and administrative expense was primarily attributable to decreased variable expenses for freight and field service expenses. Interest expense decreased by approximately \$332,000 compared to the same period last year as a result of reduced interest rates and reduced levels of borrowing.

**Liquidity and Capital Resources**

As a result of seasonally high shipments in the three months ended October 31, 2009, accounts and notes receivable increased by approximately \$5.3 million at October 31, 2009 compared to January 31, 2009. When compared to

receivables at October 31, 2008, receivables, however, decreased by approximately \$6,092,000. This decrease was due to the decline in sales in the three months ended October 31, 2009 compared to the same period last year. The Company traditionally builds large quantities of component inventory during the first quarter in anticipation of seasonally high summer shipments. During the second and third quarters, the Company reduces levels of component production and assembles components to a finished goods state as customer orders are received. At October 31, 2009, inventories were higher than the prior year by approximately \$1,600,000. The seasonal increases in receivables and inventory during the first summer months of fiscal 2009 was financed through the Company's credit facility with Wells Fargo Bank, National Association (Wells Fargo). At October 31, 2009 and at October 31, 2008, the Company did not have any outstanding borrowings under the line.

The Company has established a goal of limiting capital spending to approximately \$5,000,000 for fiscal 2009, which is slightly less than anticipated depreciation expense. The Company may modestly exceed the \$5,000,000 target during the current year. Current year expenditures will include approximately \$600,000 of landlord financed tenant improvements at the Torrance, CA facility in addition to an expansion of certain manufacturing processes to support new product offerings and to bring production of certain products in house. Capital spending for the nine months ended October 31, 2009 was \$3,675,000 compared to \$3,185,000 for the same period last year. Capital



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expenditures are being financed through the Company's credit facility with Wells Fargo and operating cash flow. Approximately \$20,111,000 was available for borrowing under the Company's credit facility as of October 31, 2009. Net cash generated by operating activities for the nine months ended October 31, 2009 was \$3,050,000 compared to \$7,399,000 for the same period last year. The decrease in cash generated in operations for the nine months ended October 31, 2009 compared to the same period last year was substantially attributable to the change in operating assets and liabilities compared to the prior year. The Company believes that cash flows from operations, together with the Company's unused borrowing capacity with Wells Fargo will be sufficient to fund the Company's debt service requirements, capital expenditures and working capital needs for the next twelve months.

During the first nine months of fiscal 2009, the Company declared and paid three quarterly cash dividends of \$0.025 per share. During the quarter ended October 31, 2009, the Company declared a fourth quarterly cash dividend of \$0.025 per share to stockholders of record as of November 10, 2009, payable December 1, 2009. Payment of a quarterly dividend is predicated on (1) the strength of our balance sheet; (2) anticipated cash flows; and (3) future cash requirements. Management anticipates that subsequent quarterly dividends will continue to be paid following a review of these factors and Board approval.

On June 5, 2008, the Company announced that its Board of Directors authorized a stock repurchase program under which the Company may acquire up to \$3 million of the Company's common stock. Such repurchases may be made pursuant to open market or privately negotiated transactions. This \$3 million common stock repurchase program includes any unused amounts previously authorized for repurchase by Company such that the maximum aggregate amount of common stock that the Company may repurchase is \$3 million of the Company's common stock. Actual repurchases will be made after due consideration of stock price, projected cash flows and alternative uses of capital. Through October 31, 2009, the Company repurchased 455,000 shares of stock for \$1,474,000. During the three months ended October 31, 2009 the Company purchased 41,000 shares for \$126,000.

### **Off Balance Sheet Arrangements**

During the nine months ended October 31, 2009, there were no material changes in the Company's off balance sheet arrangements or contractual obligations and commercial commitments from those disclosed in the Company's annual report on Form 10-K for the fiscal year ended January 31, 2009.

### **Critical Accounting Policies and Estimates**

The Company's critical accounting policies are outlined in its Annual Report on Form 10-K for the fiscal year ended January 31, 2009.

### **Forward-Looking Statements**

From time to time, including in this quarterly report, the Company or its representatives have made and may make forward-looking statements, orally or in writing, including those contained herein. Such forward-looking statements may be included in, without limitation, reports to stockholders, press releases, oral statements made with the approval of an authorized executive officer of the Company and filings with the Securities and Exchange Commission. The words or phrases "anticipates," "expects," "will continue," "believes," "estimates," "projects," or similar expressions are used to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The results contemplated by the Company's forward-looking statements are subject to certain risks and uncertainties that could cause actual results to vary materially from anticipated results, including without limitation, material availability and cost of materials, especially steel, availability and cost of labor, demand for the Company's products, competitive conditions affecting selling prices and margins, capital costs and general economic conditions. Such risks and uncertainties are discussed in more detail in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2009.

The Company's forward-looking statements represent its judgment only on the dates such statements were made. By making any forward-looking statements, the Company assumes no duty to update them to reflect new, changed or unanticipated events or circumstances.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

As of January 31, 2009, the Company had outstanding borrowings under a revolving credit facility that the Company maintains with Wells Fargo pursuant to the Second Amended and Restated Credit Agreement dated as of March 12, 2008 between the Company and Wells Fargo (the "Credit Agreement"), as amended by Amendment No. 1 thereto dated

as of July 31, 2008 ( Amendment No. 1 to Credit Agreement ).

Effective as of March 27, 2009, the Company entered into Amendment No. 2 to the Credit Agreement ( Amendment No. 2 ). The Credit Agreement, as amended by Amendment No. 1 and Amendment No. 2, provides the Company with a secured revolving line of credit (the Revolving Credit ) of up to \$65,000,000, with seasonal adjustments to the credit limit and additional asset-based borrowing-base limitations thereto, and includes a sub-limit of up to \$10,000,000 (subject to asset-based borrowing-base limitations) for the issuance of letters of credit. The Revolving Credit is secured by the maintenance by Wells Fargo of a first priority perfected security interest in certain of the personal and real property of the Company and its subsidiaries.

The Revolving Credit will mature on March 1, 2011. Interest under the Revolving Credit is payable monthly at a fluctuating rate equal to Wells Fargo's prime rate or LIBOR, plus a fluctuating margin. The margin above prime or LIBOR varies with trailing 12 months EBITDA, with maximum fluctuating margins of prime + 1% or LIBOR + 3.5%. Accordingly, a 100 and 200 basis point upward fluctuation in Wells Fargo's base rate would have caused the Company to incur additional interest charges of approximately \$34,000 and \$111,000 for the 3 months and 12 months ended January 31, 2010. The Company would have benefited from similar interest savings if the based rate were to have fluctuated downward by like amounts. The Revolving Credit is also subject to a default interest rate of an additional 4% and provides for an unused commitment fee of 0.375%.

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The Revolving Credit with Wells Fargo is subject to various financial covenants including a maximum leverage ratio, a minimum ratio of assets to liabilities, and a minimum interest coverage ratio. The Revolving Credit also includes additional restrictions, including, without limitation, restrictions on capital expenditures, additional indebtedness, dividends and the repurchase of the Company's common stock. The Revolving Credit facility is secured by certain of the Company's and its subsidiaries' accounts receivable, inventories, equipment and real property. Availability under the Revolving Credit line was \$20,111,000 as of October 31, 2009 and the Company was in compliance with its covenants as of such date.

The descriptions set forth herein of the Credit Agreement, Amendment No. 1 and Amendment No. 2 are qualified in their entirety by the terms of such agreements, each of which has been filed with the Securities and Exchange Commission.

As more fully described in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2009, the Company sells a substantial quantity of furniture under annual fixed price contracts, with little and sometimes no ability to increase prices during the duration of the contract. During the course of the contract, the results of operations can be impacted by the cost of certain commodities. During the nine month period ended October 31, 2009, the Company benefited from relatively stable costs for steel, plastic, and fuel that were at costs generally below those experienced during the comparable period last year.

**Item 4. Controls and Procedures**

***Disclosure Controls and Procedures***

The Company maintains disclosure controls and procedures that are designed to ensure that the information required to be disclosed in reports filed with or submitted to the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Assessing the costs and benefits of such controls and procedures necessarily involves the exercise of judgment by management, and such controls and procedures, by their nature, can provide only reasonable assurance that management's objectives in establishing them will be achieved.

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including its Principal Executive Officer along with its Principal Financial Officer, of the effectiveness of the design and operation of disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q, pursuant to Exchange Act Rule 13a-15. Based upon the foregoing, the Company's Principal Executive Officer, along with the Company's Principal Financial Officer, concluded that the Company's disclosure controls and procedures are effective.

***Internal Control Over Financial Reporting***

There was no change in the Company's internal control over financial reporting during the fiscal quarter ended October 31, 2009 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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**PART II OTHER INFORMATION  
VIRCO MFG. CORPORATION**

**Item 1. Legal Proceedings**

The Company has various legal actions pending against it arising in the ordinary course of business, which in the opinion of the Company, are not material in that management either expects that the Company will be successful on the merits of the pending cases or that any liabilities resulting from such cases will be substantially covered by insurance. While it is impossible to estimate with certainty the ultimate legal and financial liability with respect to these suits and claims, management believes that the aggregate amount of such liabilities will not be material to the results of operations, financial position, or cash flows of the Company.

**Item 1A. Risk Factors**

The risk factor included in the Company's Annual Report on Form 10-K entitled "The majority of our sales are generated under annual contracts, which limit our ability to raise prices during a given year in response to increases in costs" is amended by including the following disclosure at the end.

During the nine month period ended October 31, 2009, the Company benefited from relatively stable commodity costs that were typically lower than incurred during the nine month period ended October 31, 2008. During the nine month period ended October 31, 2008, the Company was adversely impacted by increased costs for steel, plastic, and fuel. Other than set forth above, there have been no material changes in risk factors as disclosed in the Company's Annual Report on Form 10-K for the year ended January 31, 2009.

**Item 4. Submission of Matters to a Vote of Security Holders**

None.

**Item 6. Exhibits**

Exhibit 31.1 Certification of Robert A. Virtue, Principal Executive Officer, pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2 Certification of Robert E. Dose, Principal Financial Officer, pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.1 Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**SIGNATURES**

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

VIRCO MFG. CORPORATION

Date: December 10, 2009

By: /s/ Robert E. Dose  
*Robert E. Dose*  
*Vice President Finance*