BBX CAPITAL CORP
Form 10-K
March 17, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Year Ended December 31, 2013

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number

001-13133

BBX Capital Corporation

(Exact name of registrant as specified in its charter)

01 Florida	65-0507804
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

401 East Las Olas Boulevard	
Ft. Lauderdale, Florida	33301
(Address of principal executive offices)	(Zip Code)

(954) 940-4000

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock, Par Value $0.01 Per Share	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES [ ] NO [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES [ ] NO [X]

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 [X] 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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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 [X]

Non-accelerated filer [ ] (Do not check if a smaller reporting company)Smaller reporting company [X]

Based on its public float as of June 30, 2013, the Company is an accelerated filer for 2014, beginning with this Annual Report on Form 10-K. However, under the rules and regulations of the Securities and Exchange Commission, the Company will remain a smaller reporting company until the filing of its Quarterly Report on Form 10-Q for the quarter ending March 31, 2014.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).YES [ ] NO [X]

The aggregate market value of the voting common equity held by non-affiliates was $90.1 million, computed by reference to the closing price of the registrant's Class A Common Stock on June 30, 2013. The registrant does not have any non-voting common equity.

The number of shares of the registrant's Class A Common Stock outstanding on March 10, 2014 was 17,088,390. The number of shares of the registrant's Class B Common Stock outstanding on March 10, 2014 was 195,045.

Portions of the registrant's Definitive Proxy Statement relating to its 2013 Annual Meeting of Shareholders are incorporated by reference in Part III of this Form 10-K.

PART I

ITEM I. BUSINESS

BBX Capital Corporation is referred to in this report together with its subsidiaries as "the Company" "we," "us," or "our", and is referred to in this report without its subsidiaries as the "Parent Company" or "BBX Capital". We are a Florida-based company, involved in the acquisition, ownership and management of joint ventures and investments in real estate and real estate development projects as well as investments in operating businesses. Prior to the sale of BankAtlantic to BB&T Corporation ("BB&T") on July 31, 2012, which is described below, we were a bank holding company and our principal asset was the ownership of BankAtlantic. The principal assets of the Company currently consist of ownership interests in Florida Asset Resolution Group, LLC ("FAR"), BBX Capital Asset Management, LLC ("CAM"), BBX Partners, Inc., Woodbridge Holdings, LLC ("Woodbridge") and two recently acquired businesses. CAM, which was formed in connection with the sale of BankAtlantic to BB&T and BBX Partners are wholly owned subsidiaries and their primary assets are non-performing commercial loans and foreclosed real estate formerly held by BankAtlantic. FAR, which was also formed in connection with the sale of BankAtlantic to BB&T, is a special purpose limited liability company whose membership interests are held by BB&T, which holds 95% of FAR's preferred interests. BBX Capital holds the remaining 5% of the preferred interests and all of the residual common equity interests in FAR. FAR's primary assets are performing and non-performing loans, tax certificates and foreclosed real estate formerly held by BankAtlantic. In April 2013, BBX Capital acquired a 46% equity interest in Woodbridge. Woodbridge's principal asset is its ownership of Bluegreen Corporation and its subsidiaries ("Bluegreen"). Bluegreen is a vacation ownership company with 225,000 owners and over 60 owned or managed resorts. BFC Financial Corporation ("BFC"), the controlling shareholder of the Company, owns the remaining 54% of Woodbridge. On October 30, 2013, a newly formed joint venture entity, Renin Holdings, LLC ("Renin"), owned 81% by the Company and 19% by BFC, acquired substantially all of the assets and certain liabilities of Renin Corp for approximately $12.8 million ("the Renin Transaction"). Renin had $24 million of total assets as of October 30, 2013 and manufactures interior closet doors, wall décor, hardware and fabricated glass products and operates through headquarters in Canada and three manufacturing, assembly and distribution facilities in Canada and the United States as well as a sales and distribution facility in the United Kingdom. In December 2013, a wholly-owned subsidiary of the Company, BBX Sweet Holdings, LLC, acquired Hoffman's Chocolates and its subsidiaries Boca Bons, LLC ("Boca Bons") and S&F Good Fortunes, LLC ("Good Fortunes") (collectively "Hoffman's"). Hoffman's had total assets of $5.3 million as of the acquisition date and is a manufacturer of gourmet chocolates, with four retail locations in South Florida.

In May 2013, BBX Capital entered into a definitive merger agreement (the "Merger Agreement") with BFC and BBX Merger Sub, LLC, a newly formed wholly owned subsidiary of BFC ("Merger Sub"). The Merger Agreement provides for BBX Capital to merge with and into Merger Sub (the "Merger"), with Merger Sub continuing as the surviving company of the Merger and a wholly owned subsidiary of BFC. Under the terms of the Merger Agreement, which has been approved by a special committee comprised of the Company's independent directors (the "Special Committee") as well as the full boards of directors of both BFC and the Company, the Company's shareholders (other than BFC and shareholders of the Company who exercise and perfect their appraisal rights in accordance with Florida law) will be entitled to receive 5.39 shares of BFC's Class A Common Stock in exchange for each share of the Company's Class A Common Stock that they hold at the effective time of the Merger (as such exchange ratio may be adjusted in accordance with the terms of the Merger Agreement, the "Exchange Ratio"). Each option to acquire shares of the Company's Class A Common Stock that is outstanding at the effective time of the Merger, whether or not then exercisable, will be converted into an option to acquire shares of BFC's Class A Common Stock and be subject to the same terms and conditions as in effect at the effective time of the Merger, except that the number of shares which may be acquired upon exercise of the option will be multiplied by the Exchange Ratio and the exercise price of the option will be divided by the Exchange Ratio. In addition, each share of the Company's Class A Common Stock subject to a restricted stock award outstanding at the effective time of the Merger will be converted into a restricted share of BFC's Class A Common Stock and be subject to the same terms and conditions as in effect at the effective time of the Merger, except that the number of shares subject to the award will be multiplied by the Exchange Ratio. Consummation of the Merger is subject to certain closing conditions, including, without limitation, the approval of BFC's and the Company's respective shareholders, BFC's

Class A Common Stock being approved for listing on a national securities exchange (or interdealer quotation system of a registered national securities association) at the effective time of the Merger, holders of not more than 10% of the Company's Common Stock exercising appraisal rights, and the absence of any "Material Adverse Effect" (as defined in the Merger Agreement) with respect to either the Company or BFC.

On July 31, 2012, BBX Capital completed the sale to BB&T of all of the issued and outstanding shares of capital stock of BankAtlantic, the former wholly owned banking subsidiary of BBX Capital (the stock sale and related transactions are sometimes hereinafter referred to as the ("BB&T Transaction"). Pursuant to the terms of the stock purchase agreement between BBX Capital and BB&T, prior to the closing of the BB&T Transaction, BankAtlantic formed two subsidiaries, CAM and FAR. BankAtlantic contributed to FAR certain performing and non-performing loans, tax certificates and real estate owned that had an aggregate carrying value on BankAtlantic's balance sheet of approximately $346 million as of July 31, 2012 (the date the BB&T Transaction was consummated). FAR assumed all liabilities related to these assets. BankAtlantic also contributed approximately $50 million in cash to FAR on July 31, 2012 and thereafter distributed all of the membership interests in FAR to BBX Capital. At the closing of the BB&T Transaction, BBX Capital transferred to BB&T 95% of the outstanding preferred membership interests in FAR in connection with BB&T's assumption of BBX Capital's outstanding TruPS obligations. BBX Capital continues to hold the remaining 5% of FAR's preferred membership interests. Under the terms of the Amended and Restated Limited Liability Company Agreement of FAR, which was entered into by BBX Capital and BB&T at the closing of the BB&T Transaction, BB&T will hold its 95% preferred interest in the net cash flows of FAR until such time as it has recovered $285 million in preference amount plus a priority return of LIBOR + 200 basis points per annum on any unpaid preference amount. At that time, BB&T's interest in FAR will terminate, and BBX Capital will thereafter be entitled to any and all residual proceeds from FAR through its ownership of FAR's Class R units. BBX Capital entered into an incremental $35 million guarantee in BB&T's favor to further support BB&T's recovery of the $285 million preferred interest within seven years. BB&T's preferred interest in FAR as of December 31, 2013 was reduced through cash distributions to approximately $68.5 million. BBX Capital's services certain nonaccrual loans for FAR and oversees the third party servicer that manages the other assets of FAR. Prior to the closing of the BB&T Transaction, BankAtlantic contributed to CAM certain non-performing commercial loans, commercial real estate owned and previously written-off assets that had an aggregate carrying value on BankAtlantic's balance sheet of $125 million as of July 31, 2012. CAM assumed all liabilities related to these assets. BankAtlantic also contributed approximately $82 million in cash to CAM. Prior to the closing of the BB&T Transaction, BankAtlantic distributed all of the membership interests in CAM to BBX Capital. CAM remains a wholly owned subsidiary of BBX Capital.

This document contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. All opinions, forecasts, projections, future plans or other statements, other than statements of historical fact, are forward-looking statements and include words or phrases such as "plans," "believes," "will," "expects," "anticipates," "intends," "estimates," "our view," "we see," "would" and words and phrases of similar import. The forward looking statement in this document are also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and involve substantial risks and uncertainties. We can give no assurance that such expectations will prove to be correct. Future results could differ materially as a result of a variety of risks and uncertainties, many of which are outside of the control of management. These risks and uncertainties include, but are not limited to the impact of economic, competitive and other factors affecting the Company and its assets, including the impact of decreases in real estate values or sustained high unemployment rates on our business generally, the ability of our borrowers to service their obligations and the value of collateral securing our loans; credit risks and loan losses, and the related sufficiency of the allowance for loan losses, including the impact of the economy and real estate market values on our assets and the credit quality of our loans; the risk that loan losses will continue and the risks of additional charge-offs, impairments and required increases in our allowance for loan losses; the impact of and expenses associated with litigation including but not limited to litigation brought by the SEC; adverse conditions in the stock market, the public debt market and other financial and credit markets and the impact of such conditions on our activities; the risk that the assets retained by the Company in CAM and FAR may not be monetized at the values currently ascribed to them; and the risks associated with the impact of periodic valuation of our assets for impairment. Past performance and perceived trends may not be indicative of future results. In addition, this document contains forward looking statements relating to the Company's ability to successfully implement its currently anticipated business plans, which may not be realized as anticipated, if at all, and that the Company's anticipated investments in real estate developments, real estate joint ventures and operating businesses may not achieve the returns anticipated or may not be profitable, including the Company's investment in Woodbridge and its acquisitions of Hoffman's and Renin Corp. The Company's investments in real estate developments, either directly or through joint ventures, will increase exposure to downturns in the real estate and housing markets and expose us to risks associated with real estate development activities and the risk that our joint venture partners may not fulfill their obligations. The Company's investment in Woodbridge, which owns Bluegreen Corporation, exposes the Company to risks inherent in the time-share industry, which risks are identified in BFC's Annual Report on Form 10-K filed on March 17, 2014 with the SEC and available on the SEC's website www.sec.gov. The Company's acquisition of Hoffman's and Renin Corp. exposes us to the risks of Renin's and Hoffman's businesses, which in the case of Renin includes foreign currency exchange risk of the U.S. dollar compared to the Canadian dollar and Great Britain Pound, as well as the risk that the integration of either or both of these operating businesses may not be completed effectively or on a timely basis, and that the Company may not realize any anticipated benefits or profits from the transactions. This document also contains forward looking statements regarding the Company's proposed Merger with BFC which is subject to risks relating to the ability to realize the expected benefits from the Merger, the ability of the parties to satisfy all of the conditions to the closing of the Merger, including BFC's ability to obtain the listing of its Class A Common Stock on a national securities exchange (or qualified interdealer quotation system), litigation that has been brought challenging the Merger, and that the Merger may not otherwise be consummated in accordance with its terms, or at all. In addition to the risks and factors identified above, reference is also made to other risks and factors detailed in this Annual Report on Form 10-K, including Item 1A. Risk Factors. The Company cautions that the foregoing factors are not exclusive.

Prior to the sale of BankAtlantic on July 31, 2012, we were a bank holding company and our principal asset was the ownership of BankAtlantic, a federal savings bank. Accordingly, as a result of such sale, the operations of BankAtlantic except for its commercial lending reporting unit are included in discontinued operations in our financial statements for all periods presented. Operating financial information for continuing operations shown by segment is included in note 23 to the Company's Consolidated Financial Statements. We report our operations through two business segments – FAR and BBX.

The results of operations of Renin and Hoffman's were not included in the Company's segment reporting as the businesses were recently acquired and discrete financial information was not available as of December 31, 2013. Management will evaluate the Company's reportable segments in subsequent periods to determine if the acquired businesses are reportable segments or reportable within another segment.

Our Internet website address is www.bbxcapital.com. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports are available free of charge through our website, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"). Our Internet website and the information contained in or connected to our website are not incorporated into, and are not part of this Annual Report on Form 10-K.

As of December 31, 2013, we had consolidated total assets of approximately $431.1 million, liabilities of $127.6 million and total equity of $303.6 million.

BBX Capital's Business Strategy

The majority of our assets do not generate income on a regular or predictable basis. Recognizing the nature of our assets, our goal is to build long-term value. We do not expect to generate significant revenue from the legacy BankAtlantic assets until the assets are monetized through repayments or transactions involving the sale, joint venture or development of the underlying real estate. BBX Capital is currently utilizing the cash flow from the monetization of its assets and dividends from Woodbridge to pay operating expenses and to invest in income producing real estate, real estate developments, real estate joint ventures and operating businesses. BBX Capital is seeking to balance its cash needs and the timing of monetizing its existing assets with new investments to maximize its returns. In some cases, this may involve immediate sale and in other cases a longer term hold or development (either directly or through a joint venture). The Company is also engaged in land entitlement activities on certain properties that we acquired through foreclosure and anticipate moving forward with land development projects which may include selling or leasing the improved properties to third parties or pursuing joint ventures with developers for the development of residential and commercial real estate projects involving the contribution of these properties by us as well as potential cash investments in such projects. We are also exploring potential investments in joint venture real estate projects that include real estate held by a joint venture partner or to be acquired from unrelated parties. Furthermore, as a result of the substantial decline in real estate values, the majority of our non-performing commercial real estate loans and foreclosed real estate were written down in prior periods to the then prevailing estimated fair values of the collateral less costs to sell. We are observing improvements generally in real estate markets and believe that the underlying collateral securing certain of our commercial real estate loans and our real estate carrying values may be below current market values.   Additionally, this recovery in the real estate market has favorably affected the financial condition of our borrowers and we are aggressively pursuing our borrowers and/or guarantors in order to maximize our recoveries through cash settlements, loan workout arrangements or participation interests in the development or performance of the collateral. If we are successful in our efforts, we expect to recognize gains to the extent that the amounts we collect exceed the carrying value of our commercial loans and foreclosed real estate and expect these gains to be reflected in an increase in our shareholders' equity in the long term. Due to the nature of these activities however, we do not expect to generate revenues or earnings on a predictable or consistent basis. Accordingly we expect our results of operations to vary significantly on a quarterly basis and we may continue to experience losses in subsequent periods.

Investments and Acquisitions

We acquired a 46% interest in Woodbridge in April 2013. Woodbridge's principal asset is its ownership of Bluegreen. Bluegreen is a sales, marketing and management company focused on the vacation ownership industry. Bluegreen markets, sells and manages vacation ownership interests ("VOIs") in resorts, which are generally located in popular, high-volume, "drive-to" vacation destinations, and were either developed or acquired by Bluegreen or developed and owned by others, in which case Bluegreen earns fees for providing such services. Bluegreen utilizes a points-based system, known as the Bluegreen Vacation Club, where purchasers of VOIs are allotted points that represent their ownership and beneficial use rights in perpetuity in the Bluegreen Vacation Club and can be used to reserve occupancy at participating resorts. Bluegreen Vacation Club members may use their points to stay in any of Bluegreen Vacation Club resorts or take advantage of other vacation options, including an exchange program offered by a third-party world-wide vacation ownership exchange network of over 4,000 resorts and other vacation experiences such as cruises and hotel stays. Bluegreen also provides property association management services, mortgage servicing, VOI title services, reservation services, and construction design and development services. In addition, Bluegreen provides financing to individual purchasers of VOIs, which provides significant interest income to Bluegreen. Bluegreen had total assets of $1.1 billion as of December 31, 2013 and income from continuing operations of $53.0 million, $54.3 million and $36.0 million for the years ended December 31, 2013, 2012 and 2011, respectively. The equity earnings of Woodbridge was reported in the BBX segment from the date of the investment (April 2, 2013) through December 31, 2013.

We acquired Renin Corp on October 30, 2013. Renin is headquartered in Brampton, Ontario and has three manufacturing, assembly and distribution facilities located in Brampton and Concord, Ontario, Tupelo, Mississippi and a sales and distribution office in the U.K. Renin manufactures interior closet doors, wall décor, hardware and fabricated glass products and its distribution channels include big box and independent home improvement retailers, builders, other manufacturers and specialty retail outlets primarily in North America. Renin revenues for the two months ended December 31, 2013 were approximately $9.3 million. Renin Corp. had revenues of $56.3 million for the ten months ended October 30, 2013.

BBX Sweet Holdings, LLC, a wholly-owned subsidiary of the Company, acquired Hoffman's Chocolates in December 2013. Hoffman's is headquartered in Lake Worth, Florida and is a manufacturer of gourmet chocolates, with four retail locations in South Florida. Established in 1975, it has created a well-known local brand in Palm Beach County Florida. In 2009, Hoffman's acquired Good Fortunes, a made-to-order custom fortune cookie company. In 2010, Hoffman's also purchased Boca Bons, a premium wholesale brand that features elaborate packaging. Each of Hoffman's confections is hand made. Its product line includes over 70 varieties of confections, which are available through its retail and online distribution channels, direct shipping throughout the U.S., and at retail store locations nationwide. Hoffman's revenues were $1.0 million during the one month ended December 31, 2013. Hoffman's had revenues of approximately $3.3 million during the eleven months ended November 30, 2013. On January 10, 2014, BBX Sweet Holdings, LLC also acquired Williams & Bennett, a Florida based manufacturer of quality chocolate products. Williams & Bennett is headquartered in Boynton Beach, Florida serving boutique retailers, big box chains, department stores, national resort properties, corporate customers, and private label brands. Williams & Bennett had revenues of approximately $4.8 million during the year ended December 31, 2013.

Loans

On July 31, 2012, we completed the sale to BB&T of all of the issued and outstanding shares of capital stock of our wholly-owned financial institution subsidiary, BankAtlantic (the stock sale and related transactions are referred to in this report as the "Transaction" or the "BB&T Transaction"). On November 1, 2011, BBX Capital entered into a definitive agreement to sell BankAtlantic to BB&T, which agreement was amended on March 13, 2012 (the "Agreement"). The Agreement was amended to, among other things provide for the assumption by BB&T of the Company's $285.4 million in principal amount of outstanding trust preferred securities ("TruPS") obligations. Under the terms of the Agreement, the Company retained through CAM and FAR certain loans, tax certificates and foreclosed real estate and liabilities related to these retained assets which had been held by BankAtlantic. These retained loans were grouped in five loan segments as follows: residential loans, commercial real estate loans, consumer loans, small business and commercial non-mortgage loans. CAM, which is included in the BBX segment, holds loans from the commercial real estate and the commercial non-mortgage loan segments. FAR holds loans from all five segments.

Residential: The majority of our residential loans were originally acquired in the secondary markets and were originated by financial institutions. These loans, which are serviced by independent servicers, are secured by properties located throughout the United States. Residential loans were typically purchased in bulk and were generally non-conforming loans under agency guidelines due primarily to the size of the individual loans ("jumbo loans"). Some of the purchased residential loans were interest-only loans. These loans result in possible future increases in a borrower's loan payments when the contractually required repayments increase due to interest rate adjustments or when required amortization of the principal amount commences. These payment increases could affect a borrower's ability to repay the loan and result in increased defaults and losses. We also retained a portfolio of residential loans which were made primarily to "low to moderate income" borrowers in accordance with the Community Reinvestment Act.

Commercial Real Estate: Commercial real estate loans were originated in connection with the acquisition, development and construction of various types of properties by our borrowers including office buildings, retail shopping centers, residential construction and other non-residential properties. Commercial real estate loans were also originated in connection with a borrower's acquisition or refinance of existing income-producing properties. These loans were primarily secured by property located in Florida.

The commercial real estate loan portfolio is divided into two loan classes: commercial residential and commercial other.

Commercial residential real estate loans were originated to developers or home builders for the construction of one to four dwelling units. These loans included builder land bank loans, land acquisition and development loans, and land acquisition, development and construction loans. Builder land bank loans were land loans to borrowers who had land purchase option agreements with regional and/or national builders. Land acquisition and development loans were generally secured by residential land which was intended to be developed by the borrower and sold to homebuilders. Land acquisition, development and construction loans were secured by residential land which was intended to be fully developed by the borrower/developer who also may have had plans to construct homes on the property.

Commercial other real estate loans are secured primarily by income producing property which includes shopping centers, office buildings, self storage facilities, student housing, owner occupied businesses and warehouses or land held by the borrower for investment or sale.

A portion of certain commercial real estate loans were sold to other financial institutions as participations. The loans are administered by us or on our behalf by a third party servicer and participants are provided periodic reports on the progress of the project for which the loan was made.

Commercial non-mortgage loans: These loans are generally business loans secured by the receivables, inventory, equipment, and/or general corporate assets of the borrowers.

Consumer: Consumer loans consist primarily of loans to individuals originated through BankAtlantic's retail network. The majority of consumer loans are home equity lines of credit secured by a first or second mortgage on the primary residence of the borrower, substantially all of which are located in Florida.

Small Business: BankAtlantic originated small business loans to companies located primarily in markets within BankAtlantic's branch network. Small business loans were originated primarily on a secured basis and do not generally exceed $2.0 million individually. These loans were originated with maturities ranging generally from one to three years or are due upon demand. Lines of credit extended to small businesses are due upon demand. Small business loans have either fixed or variable prime-based interest rates.

Real Estate

Real estate was generally acquired through foreclosure or contractual settlements with borrowers. Real estate is classified into two categories: real estate held-for-sale or real estate held-for-investment.

Real estate held-for-sale: Real estate is classified as held-for-sale when the property is available for immediate sale in its present condition, management commits to a plan to sell the property, an active program to locate a buyer has been initiated, the property is being marketed at a price that is reasonable in relation to its current fair value and it is likely that a sale will be completed within one year.

Real estate held-for-investment: Real estate is classified as held-for-investment when the property is not available for immediate sale due to anticipated renovations and potential improvements in operating performance before sale, management pursuing joint venture opportunities, potential development, or management's decision to retain the property in anticipation of appreciation in market value in subsequent periods.

We had investments in joint ventures of approximately $1.4 million as of December 31, 2013. We anticipate actively pursuing additional joint venture investments with real estate developers which may involve our contribution of held-for-investment real estate acquired through foreclosure or purchasing real estate with our own funds for joint venture development or investing funds in developments identified by joint venture partners. We currently expect that in most cases, the real estate developer will be responsible for the management of the project and we will participate in major decisions and monitor the development's progress. These joint venture real estate developments are anticipated to include multifamily and single family housing, commercial retail complexes, office buildings and land entitlement projects. To a lesser extent, we may engage in land entitlement and development activities without joint venture partners. These anticipated real estate investments will in most instances be multi-year projects and we do not expect them to generate earnings in the near term. Our goal is to produce earnings from these projects over time; however, we may not be successful in doing so.

BBX Business Segment

Since the sale of BankAtlantic to BB&T, BBX has been engaged in managing the assets in CAM and the commercial loans that it services for FAR as well as overseeing the third party servicers that manage the assets for FAR. BBX Capital also continues to manage the assets held by BBX Partners, its wholly owned asset workout subsidiary established in 2008 (formerly BankAtlantic Bancorp Partners, Inc.) which consisted of approximately $13.5 million of loans and foreclosed real estate as of December 31, 2013 compared to $14.2 million of loans and foreclosed real estate as of December 31, 2012.

The BBX business segment includes the assets and related liabilities of CAM, BBX Partners, Inc., and the Woodbridge investment. CAM was formed prior to the closing of the BB&T Transaction when BankAtlantic contributed to CAM certain non-performing commercial loans, commercial real estate and previously written-off assets that had an aggregate carrying value on BankAtlantic's balance sheet of $125 million as of July 31, 2012. CAM assumed the liabilities related to these assets. BankAtlantic also contributed approximately $82 million in cash to CAM. Prior to the closing of the BB&T Transaction, BankAtlantic distributed all of the membership interests in CAM to the Company and CAM remains a wholly-owned subsidiary of the Company.

The BBX business segment's primary assets are loans receivable, real estate held-for-sale and real estate held-for-investment and rights to BankAtlantic's previously charged off loan portfolio and related judgments which were transferred to CAM in connection with the consummation of the BB&T Transaction as well as its 46% equity interest in Woodbridge. BBX utilized the cash received in the BB&T Transaction and funds from the monetization of assets to acquire a 46% equity interest in Woodbridge for $60.4 million in cash and a promissory note in Woodbridge's favor in the principal amount of $11.75 million.

The composition of BBX's loans was (in thousands):

	As of December 31, 2013			As of December 31, 2012		
Loans held-for-investment:	Number	Unpaid Principal Balance	Carrying Amount	Number	Unpaid Principal Balance	Carrying Amount