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## Section 1: 8-K (8-K)

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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### FORM 8-K

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CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
Date of Report (Date of earliest event reported): August 3, 2018

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## Drive Shack Inc.

(Exact name of registrant as specified in its charter)

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Maryland  
(State or other jurisdiction of incorporation)

001-31458  
(Commission  
File Number)

81-0559116  
(IRS Employer  
Identification No.)

111 W 19<sup>th</sup> St, 8<sup>th</sup> Fl.  
New York, New York  
(Address of principal executive offices)

10011  
(Zip Code)

Registrant's telephone number, including area code (516) 268-7460

N/A  
(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

On August 3, 2018, Drive Shack Inc. (the “Company”) issued a press release announcing the Company’s results for its fiscal quarter ended June 30, 2018. A copy of the Company’s press release is attached to this Current Report on Form 8-K (the “Current Report”) as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

This Current Report, including the exhibit attached hereto, is being furnished and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Exchange Act, unless expressly set forth as being incorporated by reference into such filing.

**Item 9.01. Financial Statements and Exhibits.**

*(d) Exhibits*

| Exhibit<br>Number    | Description   |
|----------------------|---|
| <a href="#">99.1</a> | Press release, dated August 3, 2018, issued by Drive Shack Inc. |

## SIGNATURE

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 hereunto duly authorized.

DRIVE SHACK INC.  
(Registrant)

/s/ Lawrence A. Goodfield, Jr.

Lawrence A. Goodfield, Jr.  
Chief Financial Officer, Chief Accounting Officer & Treasurer

Date: August 3, 2018

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## Section 2: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1



Investor Relations  
516-268-7460

### DRIVE SHACK INC. ANNOUNCES SECOND QUARTER 2018 RESULTS AND DECLARES THIRD QUARTER 2018 PREFERRED STOCK DIVIDENDS

NEW YORK—(BUSINESS WIRE) — August 3, 2018 — Drive Shack Inc. (NYSE: DS; the “Company”) today reported the following information for the second quarter ended June 30, 2018.

#### **BUSINESS HIGHLIGHTS**

- **Drive Shack** – The Company opened its first venue in Orlando, Florida, in April 2018.
  - The Company has announced five additional venues to date, which are in various stages of development, and are expected to open throughout 2019 and early 2020.
- **American Golf** – As of June 30, 2018, the Company owned, leased or managed 74 golf properties across 12 states. These courses are located predominately in high-volume, top-tier cities across the U.S.
  - The Company is monetizing its 26 owned properties. As of the date of this release, 1 property was sold and 15 properties were under contract or had a letter of intent for purchase. The remaining properties are being actively marketed and the Company aims to achieve all sales by early 2019.
  - The Company entered the year aiming to terminate or restructure 14 of its lease agreements. During the first six months of the year, 2 properties have been terminated or converted to management agreements. The Company continues to pursue the remaining 12 agreements.

#### **SECOND QUARTER 2018 FINANCIAL RESULTS**

- GAAP Loss of \$6 million, or \$0.09 per share, for the three months ended June 30, 2018, compared to a loss of \$6 million, or \$0.09 per share, in the prior year corresponding period.
- GAAP Loss of \$24 million, or \$0.36 per share, for the six months ended June 30, 2018, compared to a loss of \$20 million, or \$0.31 per share, in the prior year corresponding period.
  - Year-over-year decrease is primarily due to lower interest income because of the repayment of the resorts-related loan and sale of agency securities, partially offset by stronger year-over-year performance in the traditional golf business.

|                              | Three Months Ended<br>June 30, |                | Six Months Ended<br>June 30, |                 |
|------------------------------|--------------------------------|----------------|------------------------------|-----------------|
|                              | 2018                           | 2017           | 2018                         | 2017            |
| GAAP Loss                    | \$ (6) million                 | \$ (6) million | \$ (24) million              | \$ (20) million |
| GAAP Loss per WA Basic Share | \$ (0.09)                      | \$ (0.09)      | \$ (0.36)                    | \$ (0.31)       |

WA: Weighted Average

**THIRD QUARTER 2018 PREFERRED STOCK DIVIDENDS**

Drive Shack Inc.'s Board of Directors declared dividends on the Company's preferred stock for the period beginning August 1, 2018 and ending October 31, 2018. The dividends are payable on October 31, 2018 to holders of record of preferred stock on October 1, 2018. The Company will pay dividends of \$0.609375, \$0.503125 and \$0.523438 per share on the 9.750% Series B, 8.050% Series C and 8.375% Series D preferred stock, respectively.

**ADDITIONAL INFORMATION**

For additional information that management believes to be useful for investors, please refer to the presentation posted on the Investor Relations section of the Company's website, <http://ir.driveshack.com>. For consolidated information, please refer to the Company's most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K, which are available on the Company's website, <http://ir.driveshack.com>.

**EARNINGS CONFERENCE CALL**

The Company's management will host a conference call on Friday, August 3, 2018 at 9:00 A.M. Eastern Time. A copy of the earnings release will be posted to the Investor Relations section of Drive Shack Inc.'s website, <http://ir.driveshack.com>.

All interested parties are welcome to participate on the live call. The conference call may be accessed by dialing 1-866-913-6930 (from within the U.S.) or 1-409-983-9881 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference conference ID "7369948."

A simultaneous webcast of the conference call will be available to the public on a listen-only basis at <http://ir.driveshack.com>. Please allow extra time prior to the call to visit the website and download any necessary software required to listen to the internet broadcast.

A telephonic replay of the conference call will also be available two hours following the call's completion through 11:30 P.M. Eastern Time on Friday, August 17, 2018 by dialing 1-800-585-8367 (from within the U.S.) or 1-404-537-3406 (from outside of the U.S.); please reference conference ID "7369948."

**Consolidated Statements of Operations (Unaudited)**  
(\$ in thousands, except share data)

|  | <b>Three Months Ended<br/>June 30,</b> |                   | <b>Six Months Ended<br/>June 30,</b> |                    |
|--|--|-------------------|--------------------------------------|--------------------|
|  | <b>2018</b>                            | <b>2017</b>       | <b>2018</b>                          | <b>2017</b>        |
| <b>Revenues</b>  |  |                   |                                      |                    |
| Golf operations  | \$ 69,150                              | \$ 60,639         | \$ 122,704                           | \$ 106,935         |
| Sales of food and beverages  | 21,854                                 | 20,721            | 34,960                               | 33,566             |
| <b>Total revenues</b>  | <b>91,004</b>                          | <b>81,360</b>     | <b>157,664</b>                       | <b>140,501</b>     |
| <b>Operating costs</b>   |  |                   |                                      |                    |
| Operating expenses   | 67,042                                 | 62,028            | 124,421                              | 112,537            |
| Cost of sales - food and beverages                                   | 6,193                                  | 6,009             | 10,233                               | 10,041             |
| General and administrative expense                                   | 10,268                                 | 7,058             | 19,462                               | 14,545             |
| Management fee to affiliate  | —                                      | 2,677             | —                                    | 5,354              |
| Depreciation and amortization  | 4,315                                  | 5,972             | 9,863                                | 11,765             |
| Pre-opening costs  | 247                                    | 50                | 1,803                                | 50                 |
| Impairment   | —                                      | 32                | 1,473                                | 32                 |
| Realized and unrealized (gain) loss on investments                   | (89)                                   | 3,287             | (331)                                | 6,676              |
| <b>Total operating costs</b>   | <b>87,976</b>                          | <b>87,113</b>     | <b>166,924</b>                       | <b>161,000</b>     |
| <b>Operating income (loss)</b>                                       | <b>3,028</b>                           | <b>(5,753)</b>    | <b>(9,260)</b>                       | <b>(20,499)</b>    |
| <b>Other income (expenses)</b>                                       |  |                   |                                      |                    |
| Interest and investment income                                       | 469                                    | 6,395             | 915                                  | 14,283             |
| Interest expense, net  | (4,601)                                | (5,131)           | (8,650)                              | (10,565)           |
| Other (loss) income, net   | (3,699)                                | 293               | (4,105)                              | 170                |
| <b>Total other income (expenses)</b>                                 | <b>(7,831)</b>                         | <b>1,557</b>      | <b>(11,840)</b>                      | <b>3,888</b>       |
| Loss before income tax   | (4,803)                                | (4,196)           | (21,100)                             | (16,611)           |
| Income tax expense   | —                                      | 510               | —                                    | 1,049              |
| Net Loss   | (4,803)                                | (4,706)           | (21,100)                             | (17,660)           |
| Preferred dividends  | (1,395)                                | (1,395)           | (2,790)                              | (2,790)            |
| <b>Loss Applicable to Common Stockholders</b>                        | <b>\$ (6,198)</b>                      | <b>\$ (6,101)</b> | <b>\$ (23,890)</b>                   | <b>\$ (20,450)</b> |
| <b>Loss Applicable to Common Stock, per share</b>                    |  |                   |                                      |                    |
| Basic  | \$ (0.09)                              | \$ (0.09)         | \$ (0.36)                            | \$ (0.31)          |
| Diluted  | \$ (0.09)                              | \$ (0.09)         | \$ (0.36)                            | \$ (0.31)          |
| <b>Weighted Average Number of Shares of Common Stock Outstanding</b> |  |                   |                                      |                    |
| Basic  | 66,977,104                             | 66,874,155        | 66,977,104                           | 66,858,155         |
| Diluted  | 66,977,104                             | 66,874,155        | 66,977,104                           | 66,858,155         |

**Consolidated Balance Sheets**  
(\$ in thousands, except share data)

|   | <b>June 30, 2018</b> | <b>December 31, 2017</b> |
|---|----------------------|--------------------------|
|   | <b>(Unaudited)</b>   |                          |
| <b>Assets</b>   |                      |                          |
| <b>Current Assets</b>   |                      |                          |
| Cash and cash equivalents   | \$ 125,659           | \$ 167,692               |
| Restricted cash   | 3,859                | 5,178                    |
| Accounts receivable, net  | 9,877                | 8,780                    |
| Real estate assets, held-for-sale   | 165,261              | 2,000                    |
| Real estate securities, available-for-sale  | 2,425                | 2,294                    |
| Other current assets  | 25,171               | 21,568                   |
| <b>Total Current Assets</b>   | <b>332,252</b>       | <b>207,512</b>           |
| Restricted cash, noncurrent   | 777                  | 818                      |
| Property and equipment, net of accumulated depreciation   | 93,592               | 241,258                  |
| Intangibles, net of accumulated amortization  | 53,716               | 57,276                   |
| Other investments   | 21,901               | 21,135                   |
| Other assets  | 9,041                | 8,649                    |
| <b>Total Assets</b>   | <b>\$ 511,279</b>    | <b>\$ 536,648</b>        |
| <b>Liabilities and Equity</b>   |                      |                          |
| <b>Current Liabilities</b>  |                      |                          |
| Obligations under capital leases  | \$ 5,158             | \$ 4,652                 |
| Membership deposit liabilities  | 8,972                | 8,733                    |
| Accounts payable and accrued expenses   | 44,506               | 36,797                   |
| Deferred revenue  | 10,614               | 31,207                   |
| Real estate liabilities, held-for-sale  | 9,651                | —                        |
| Other current liabilities   | 15,145               | 22,596                   |
| <b>Total Current Liabilities</b>  | <b>94,046</b>        | <b>103,985</b>           |
| Credit facilities and obligations under capital leases  | 112,268              | 112,105                  |
| Junior subordinated notes payable   | 51,204               | 51,208                   |
| Membership deposit liabilities, noncurrent  | 87,832               | 86,523                   |
| Deferred revenue, noncurrent  | 7,608                | 6,930                    |
| Other liabilities   | 5,480                | 4,846                    |
| <b>Total Liabilities</b>  | <b>\$ 358,438</b>    | <b>\$ 365,597</b>        |
| <b>Commitments and contingencies</b>  |                      |                          |
| <b>Equity</b>   |                      |                          |
| Preferred stock, \$0.01 par value, 100,000,000 shares authorized, 1,347,321 shares of 9.75% Series B Cumulative Redeemable Preferred Stock, 496,000 shares of 8.05% Series C Cumulative Redeemable Preferred Stock, and 620,000 shares of 8.375% Series D Cumulative Redeemable Preferred Stock, liquidation preference \$25.00 per share, issued and outstanding as of June 30, 2018 and December 31, 2017 | \$ 61,583            | \$ 61,583                |
| Common stock, \$0.01 par value, 1,000,000,000 shares authorized, 66,977,104 and 66,977,104 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively   | 670                  | 670                      |
| Additional paid-in capital  | 3,174,089            | 3,173,281                |
| Accumulated deficit   | (3,084,934)          | (3,065,853)              |
| Accumulated other comprehensive income  | 1,433                | 1,370                    |
| <b>Total Equity</b>   | <b>\$ 152,841</b>    | <b>\$ 171,051</b>        |
| <b>Total Liabilities and Equity</b>   | <b>\$ 511,279</b>    | <b>\$ 536,648</b>        |



**ABOUT DRIVE SHACK INC.**

Drive Shack Inc. is a leading owner and operator of golf-related leisure and entertainment businesses.

**FORWARD-LOOKING STATEMENTS**

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the timing and frequency of opening new Drive Shack venues, the Company's ability to consummate the sales of its owned golf courses and the Company's ability to terminate or restructure its lease agreements. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond Drive Shack's control. The Company can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.