

PUBLIC STORAGE INC /CA  
Form S-3/A  
June 02, 2004  
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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 2, 2004

REGISTRATION NO. 333-115660

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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## Amendment No. 1

to

## Form S-3

## Registration Statement

*Under*

*The Securities Act of 1933*

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## Public Storage, Inc.

(Exact Name of Registrant as Specified in its Charter)

**California**  
(State or Other Jurisdiction  
of Incorporation or Organization)

**95-3551121**  
(I.R.S. Employer  
Identification No.)

701 Western Avenue

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Glendale, California 91201-2397

(818) 244-8080

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Harvey Lenkin

Public Storage, Inc.

701 Western Avenue

Glendale, California 91201-2397

(818) 244-8080

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*Copies to:*

David Goldberg, Esq.

Public Storage, Inc.

701 Western Avenue

Glendale, California 91201-2397

**APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:** From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

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 dividend or interest reinvestment plans, 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.  \_\_\_\_\_

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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.  x

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Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed		Amount of Registration Fee
		Maximum Aggregate Price Per Share or Per Unit	Proposed Maximum Aggregate Offering Price	
Common Stock, \$.10 par value per share	(1)(3)	(2)	(1)(2)(3)	N/A
Preferred Stock, \$.01 par value per share	(1)(4)	(2)	(1)(2)(4)	N/A
Depository Shares Representing Interests in Preferred Stock	(1)(4)	(2)	(1)(2)(4)	N/A
Equity Stock, \$.01 par value per share	(1)(5)	(2)	(1)(2)(5)	N/A
Depository Shares Representing Interests in Equity Stock	(1)(5)	(2)	(1)(2)(5)	N/A
Warrants	(1)(6)	(2)	(1)(2)(6)	N/A
Debt Securities	(1)(7)	(2)	(1)(2)(7)	N/A
Total	\$1,000,000,000(8)	(2)	\$1,000,000,000(8)	\$126,700(9)

- (1) In no event will the aggregate maximum offering price of all securities issued pursuant to this Registration Statement exceed \$1,000,000,000. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder.
- (2) The proposed maximum offering price per share or per unit will be determined, from time to time, by the Registrant in connection with the issuance by the Registrant of the securities registered hereunder. No separate consideration will be received for any Depository Shares representing shares of Preferred Stock or Equity Stock of the Registrant.
- (3) Subject to Footnote 1, there is being registered hereunder an indeterminate number of shares of Common Stock as may be sold, from time to time, by the Registrant. There is also being registered hereunder an indeterminate number of shares of Common Stock as shall be issuable upon conversion of the Preferred Stock, the Equity Stock or the Debt Securities or exercise of Warrants registered hereby.
- (4) Subject to Footnote 1, there is being registered hereunder an indeterminate number of shares of Preferred Stock, and Depository Shares representing a fractional interest in a share of Preferred Stock, as may be sold, from time to time, by the Registrant. In the event the Registrant elects to offer to the public fractional interests in shares of the Preferred Stock registered hereunder, Depository Receipts will be distributed to those persons acquiring such fractional interests and the shares of Preferred Stock will be issued to a Depository under a Deposit Agreement. There is also being registered hereunder an indeterminate number of shares of Preferred Stock as shall be issuable upon conversion of the Debt Securities or exercise of Warrants registered hereby.
- (5) Subject to Footnote 1, there is being registered hereunder an indeterminate number of shares of Equity Stock, and Depository Shares representing a fractional interest in a share of Equity Stock, as may be sold, from time to time, by the Registrant. In the event the Registrant elects to offer to the public fractional interests in shares of the Equity Stock registered hereunder, Depository Receipts will be distributed to those persons acquiring such fractional interests and the shares of Equity Stock will be issued to a Depository under a Deposit Agreement. There is also being registered hereunder an indeterminate number of shares of Equity Stock as shall be issuable upon exercise of Warrants registered hereby.
- (6) Subject to Footnote 1, there is being registered hereunder an indeterminate number of Warrants representing rights to purchase Common Stock, Preferred Stock, Equity Stock or Debt Securities, as the case may be, registered pursuant to this Registration Statement.
- (7) Subject to Footnote 1, there is being registered an indeterminate number of Debt Securities.

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- (8) \$380,000,000 of securities included herein were registered by the Registrant under Registration Statement No. 333- 101425 filed on November 22, 2002 and remained unissued.
- (9) Calculated pursuant to Rule 457(o) of the rules and regulations under the Securities Act of 1933, as amended. \$48,146 of such registration fee was paid by the Registrant in connection with Registration Statement No. 333-101425 with respect to securities registered thereunder that remain unissued and \$76,020 was previously paid in connection with this Registration Statement No. 333-115660. Accordingly, \$2,534 is being paid concurrently in connection with Amendment No. 1 to this Registration Statement.

PURSUANT TO RULE 429 OF THE RULES AND REGULATIONS UNDER THE SECURITIES ACT OF 1933, THE PROSPECTUS WHICH IS A PART OF THIS REGISTRATION STATEMENT WILL ALSO BE USED IN CONNECTION WITH SECURITIES REGISTERED BY REGISTRANT S REGISTRATION STATEMENT NO. 333- 101425. IN THE EVENT ANY OF SUCH PREVIOUSLY REGISTERED SECURITIES ARE OFFERED PRIOR TO THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT THEY WILL NOT BE INCLUDED IN SUCH PROSPECTUS.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell securities, and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion**

**Preliminary Prospectus Dated June , 2004**

**Prospectus**

**\$1,000,000,000**

**Public Storage, Inc.**

**By this prospectus, we may offer**

**Common Stock**

**Preferred Stock**

**Equity Stock**

**Depositary Shares**

**Warrants**

**Debt Securities**

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the supplements carefully before you invest.

**Please read Risk Factors beginning on page 1 for a discussion of material risks you should consider before you invest.**

Our common stock is listed and traded on the New York Stock Exchange and the Pacific Exchange under the symbol PSA.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued under this prospectus or determined if this prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

, 2004

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You should rely only on the information contained in or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer to sell these securities in any state where the offer is not permitted. The information contained in or incorporated by reference in this prospectus is accurate only as of the date on the front of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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**RISK FACTORS**

Before investing in our securities, you should consider the following risks and detriments:

**The Hughes family could control us.**

The Hughes family owns approximately 36% of our outstanding shares of common stock. Consequently, the Hughes family could control matters submitted to a vote of our shareholders, including electing directors, amending our organizational documents, dissolving and approving other extraordinary transactions, such as a takeover attempt, whether or not these actions might be favorable to our other shareholders.

**Provisions in our organizational documents may prevent changes in control.**

Restrictions in our organizational documents may further limit changes in control. Unless our board of directors waives these limitations, no shareholder may own more than (1) 2.0% of the outstanding shares of our common stock or (2) 9.9% of the outstanding shares of each class or series of our preferred or equity stock. Our organizational documents in effect provide, however, that the Hughes family may continue to own the shares of our common stock held by them at the time of a November 1995 reorganization. These limitations are designed, to the extent possible, to avoid a concentration of ownership that might jeopardize our ability to qualify as a real estate investment trust or REIT. These limitations, however, also make a change of control significantly more difficult (if not impossible) even if it would be favorable to the interests of our public shareholders. These provisions will prevent future takeover attempts not approved by our board of directors even if a majority of our public shareholders deem it to be in their best interests because they would receive a premium for their shares over the shares then market value or for other reasons.

**We would incur adverse tax consequences if we fail to qualify as a REIT.**

We believe that we qualify as a REIT for federal income tax purposes. We plan to continue to meet the requirements for taxation as a REIT but we cannot assure shareholders that we will qualify as a REIT. Many of the REIT requirements are highly technical and complex. The determination of whether we qualify as a REIT requires an analysis of various factual matters and circumstances that may not be totally within our control, including factual matters and circumstances relating to our income, our assets and corporations that we have acquired. For example, to qualify as a REIT at least 95% of our gross income must come from sources that are specified in the REIT tax laws, and we are limited in our ability to own non-real estate assets. We also must distribute with respect to each year at least 90% of our REIT taxable income to our shareholders, which include not only holders of our common stock and equity stock but also holders of our preferred stock.

For any taxable year that we fail to qualify as a REIT and statutory relief provisions do not apply, we would be taxed at the regular corporate rates on all of our taxable income, whether or not we make any distributions to our shareholders. Those taxes would reduce the amount of cash available for distribution to our shareholders or for reinvestment and would adversely affect our earnings. As a result, our failure to qualify as a REIT during any taxable year could have a material adverse effect upon us and our shareholders. Furthermore, unless certain relief provisions apply, we would not be eligible to elect REIT status again until the fifth taxable year that begins after the first year for which we fail to qualify.

**We may pay some taxes.**

Even if we qualify as a REIT for federal income tax purposes, we are required to pay some federal, state and local taxes on our income and property. Several corporate subsidiaries of Public Storage have elected to be

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treated as taxable REIT subsidiaries of Public Storage for federal income tax purposes since January 1, 2001. A taxable REIT subsidiary is taxable as a regular corporation and is limited in its ability to deduct interest payments made to us in excess of a certain amount. In addition, we will be subject to a 100% penalty tax on some payments that we receive or expenses deducted by our taxable REIT subsidiaries if the economic arrangements among our tenants, our taxable REIT subsidiaries and us are not comparable to similar arrangements among unrelated parties. To the extent that Public Storage or any taxable REIT subsidiary is required to pay federal, state or local taxes, we will have less cash available for distribution to shareholders.

### **We would incur a corporate level tax if we sell certain assets.**

We will generally be subject to a corporate level tax on any net built-in gain if, before November 2005, we sell any of the assets we acquired in the November 1995 reorganization.

### **We and our shareholders are subject to financing risks.**

**Debt increases risk of loss.** In making real estate investments or for general corporate purposes, we may borrow money, which increases the risk of loss. At March 31, 2004, our debt of \$49.3 million was less than 1% of our total assets.

**Certain securities have a liquidation preference over our common stock and equity stock.** If we liquidated, holders of our preferred securities would be entitled to receive liquidating distributions (a total of approximately \$2.3 billion with respect to preferred stock and preferred units outstanding at March 31, 2004), plus any accrued and unpaid distributions, before any distribution of assets to holders of our common stock and equity stock. Holders of preferred stock and preferred units are entitled to receive, when declared by our board of directors, cash distributions (a total of approximately \$155.2 million per year with respect to preferred stock and preferred units outstanding at March 31, 2004), in preference to holders of our common stock and equity stock.

### **Since our business consists primarily of acquiring and operating real estate, we are subject to real estate operating risks.**

**The value of our investments may be reduced by general risks of real estate ownership.** Since we derive substantially all of our income from real estate operations, we are subject to the general risks of owning real estate-related assets, including:

lack of demand for rental spaces or units in a locale;

changes in general economic or local conditions;

changes in supply of or demand for similar or competing facilities in an area;

the impact of environmental protection laws;

changes in interest rates and availability of permanent mortgage funds which may render the sale or financing of a property difficult or unattractive; and

changes in tax, real estate and zoning laws.

**There is significant competition among self-storage facilities and from other storage alternatives.** Most of our properties are self-storage facilities, which represented 95% of our rental revenue during 2003. Competition in the market areas in which many of our properties are located is significant and has affected the occupancy levels, rental rates and operating expenses of some of our properties. Any increase in availability of funds for investment in real estate may accelerate competition. Further development of self-storage facilities are expected to further intensify competition among operators of self-storage facilities in certain

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market areas in which we operate. The net operating income before depreciation of our Consistent Group of miniwarehouses (a consistent group of stabilized properties we owned throughout the three years ended December 31, 2003) declined 1.8% in 2003 compared to 2002. Competition could have been a factor in this decline.

**We may incur significant environmental costs and liabilities.** As an owner and operator of real properties, under various federal, state and local environmental laws, we are required to clean up spills or other releases of hazardous or toxic substances on or from our properties. Certain environmental laws impose liability whether or not the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. In some cases, liability may not be limited to the value of the property. The presence of these substances, or the failure to properly remediate any resulting contamination, also may adversely affect the owner's or operator's ability to sell, lease or operate its property or to borrow using its property as collateral.

We have conducted preliminary environmental assessments of most of our properties (and intend to conduct assessments in connection with pending or future property acquisitions) to evaluate the environmental condition of, and potential environmental liabilities associated with, our properties. These assessments generally consist of an investigation of environmental conditions at the property (not including soil or groundwater sampling or analysis), as well as a review of available information regarding the site and publicly available data regarding conditions at other sites in the vicinity. In connection with these property assessments, our operations and recent property acquisitions, we have become aware that prior operations or activities at some facilities or from nearby locations have or may have resulted in contamination to the soil or groundwater at these facilities. In this regard, some of our facilities are or may be the subject of federal or state environmental investigations or remedial actions. We have obtained, with respect to recent acquisitions and intend to obtain with respect to pending or future acquisitions, appropriate purchase price adjustments or indemnifications that we believe are sufficient to cover any related potential liabilities. Although we cannot provide any assurance, based on the preliminary environmental assessments, we believe we have funds available to cover any liability from environmental contamination or potential contamination and we are not aware of any environmental contamination of our facilities material to our overall business, financial condition or results of operation.

There has been an increasing number of claims and litigation against owners and managers of rental properties relating to moisture infiltration, which can result in mold or other property damage. When we receive a complaint concerning moisture infiltration, condensation or mold problems or become aware that an air quality concern exists, we implement corrective measures in accordance with guidelines and protocols we have developed with the assistance of outside experts. We seek to work proactively with our tenants to resolve moisture infiltration and mold-related issues, subject to our contractual limitations on liability for such claims. However, we can make no assurance that material legal claims relating to moisture infiltration and the presence of, or exposure to, mold will not arise in the future.

**Delays in development and fill-up of our properties would reduce our profitability.** Between January 1, 2000 and March 31, 2004, we opened 61 newly developed self-storage facilities and 17 facilities that combine self-storage and containerized storage at the same location with aggregate development costs of \$540.4 million at March 31, 2004. In addition, at March 31, 2004, we had 42 projects in development with total estimated costs of \$148.7 million. Construction delays due to weather, unforeseen site conditions, personnel problems, cost overruns and other factors could adversely affect our profitability. Delays in the filling of vacancies of newly developed facilities as a result of competition or other factors could also adversely impact our profitability.

**Property taxes can increase and cause a decline in yields on investments.** Each of our properties is subject to real property taxes. Real property taxes may increase in the future as property tax rates change and as our properties are assessed or reassessed by tax authorities. These increases could adversely impact our profitability.

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**We must comply with the Americans with Disabilities Act and fire and safety regulations, which may require significant expenditures.** All of our properties must comply with the Americans with Disabilities Act and related regulations (the ADA). The ADA generally requires that buildings be made accessible to persons with disabilities. Various state laws impose similar requirements. Our failure to comply with the ADA or similar state laws could result in government-imposed fines and the award of damages to individuals harmed by our failure to comply. In addition, our properties must comply with local fire and safety regulations, building codes, and other land use regulations. Compliance with these requirements may require substantial expenditures, which would reduce cash otherwise available for distribution to shareholders. Failure to comply with these requirements could also affect the marketability and value of our real estate facilities.

**We have no interest in Canadian self-storage facilities owned by the Hughes family.**

The Hughes family has ownership interests in, and operates, 38 self-storage facilities in Canada under the name Public Storage. We have a right of first refusal to acquire the stock or assets of the corporation engaged in these operations if the Hughes family or the corporation agree to sell them. However, we have no interest in the operations of that corporation, have no right to acquire its stock or assets unless the Hughes family decides to sell and receive no benefit from the profits and increases in value of the Canadian mini-warehouses.

Our personnel supervised, operated and provided certain administrative services for the owners of these 38 Canadian properties and certain other services, primarily tax services, for other Hughes family interests. The Hughes family and the Canadian owners have reimbursed us at cost for these services (U.S. \$542,499 for services provided to the Canadian facilities and U.S. \$151,063 for other services during 2003). There may have been conflicts of interest in allocating time of our personnel between our properties, the Canadian properties, and the other Hughes family interests. To minimize these conflicts of interest, the sharing of our personnel with the Canadian entities and with the other Hughes family interests was substantially eliminated by December 31, 2003.

**Our containerized storage business has incurred operating losses.**

Public Storage Pickup & Delivery, which we refer to as PSPUD, was organized in 1996 to operate a containerized self-storage business. We own all of the economic interests of PSPUD. Since this is a relatively new business segment, we cannot provide any assurance as to its ultimate profitability. PSPUD incurred operating losses totaling \$10,058,000 in 2002 (including write-down for impaired assets and lease termination charges) and generated an operating profit of \$2,543,000 in 2003 (after impairment charges, and losses on asset sales). We closed 32 of 55 PSPUD facilities that we determined were not strategic to our business plan since January 1, 2002.

**Terrorist attacks and the possibility of further armed conflict may have an adverse impact on our business and operating results and could decrease the value of our assets.**

Terrorist attacks and other acts of violence or war, such as those that took place on September 11, 2001, could have a material adverse impact on our business and operating results. There can be no assurance that there will not be further terrorist attacks against the United States or its businesses or interests. Attacks or armed conflicts that directly impact one or more of our properties could significantly affect our ability to operate those properties and thereby impair our operating results. Further, we may not have insurance coverage for losses caused by a terrorist attack. Such insurance may not be available or, if terrorist insurance coverage is available, the cost for the insurance may be significant in relationship to the overall risk. In addition, the adverse effects that violent acts and threats of future attacks have on the U.S. economy could have a material adverse effect on our business and results of operations. Finally, further terrorist acts could cause the United States to enter into a further armed conflict which could negatively impact our business and operating results.





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**The lower tax rate on dividends from non-REIT C corporations may cause investors to prefer to hold stock in non-REIT C corporations.**

While corporate dividends traditionally have been taxed at ordinary income rates, dividends received by individuals through December 31, 2008 from domestic corporations generally will be taxed at the maximum capital gains tax rate of 15%, rather than to the maximum ordinary income tax rate of 35%. This reduces substantially the so-called double taxation (that is, taxation at both the corporate and shareholder levels) that generally applies to non-REIT C corporations but that does not apply to REITs because REITs generally do not pay any corporate income tax to the extent they distribute all of their taxable income. REIT dividends are not eligible for the lower capital gains rates, except in certain circumstances where the dividends are attributable to income that has been subject to corporate-level tax. The application of capital gains rates to non-REIT C corporation dividends could cause individual investors to view stock in non-REIT C corporations as more attractive than stock in REITs, which may negatively affect the value of our stock. We cannot predict what effect, if any, the application of the capital gains tax rate to dividends paid by non-REIT C corporations may have on the value of either our common stock or our preferred stock, either in terms of price or relative to other potential investments.

**Changes in interest rates could adversely affect the price of our stock.**

Increases in interest rates could adversely affect the price of our stock. Among the factors that impact the price of stocks of REITs is the fluctuation of interest rates. An increase in interest rates could adversely affect the trading prices of our securities and those of other REITs

**Developments in California may have an adverse impact on our business.**

Our headquarters and approximately one-quarter of our properties are located in California. California is faced with serious budgetary concerns. Action that may be taken in response to these concerns, such as an increase in property taxes on commercial properties, could adversely impact our business and results of operations. In addition, we could be adversely impacted by the recently enacted legislation mandating medical insurance for employees of California businesses and members of their families beginning in 2006.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration process. Under this shelf process, we may sell from time to time up to \$1,000,000,000 of our common stock, preferred stock, equity stock, depositary shares, warrants and debt securities, in any combination. This prospectus provides a general description of the securities that we may offer. Each time we offer any of the types of securities described in this prospectus, we will prepare and distribute a prospectus supplement that will contain a description of the specific terms of the securities being offered and of the offering. The prospectus supplement may also supplement the information contained in this prospectus. You should read both this prospectus and the applicable prospectus supplement, together with the additional information described under the heading *Where You Can Find More Information*, before purchasing any securities.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to the Company, we, us, our and similar references mean Public Storage, Inc. and its subsidiaries.

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**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the reporting requirements of the Securities Exchange Act of 1934, and are required to file annual, quarterly and special reports with the Securities and Exchange Commission. You may read and copy any of these documents at the Commission's public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549. You may telephone the Commission at 1-800-SEC-0330 for further information on the Commission's public reference facilities. The Commission also maintains a computer site on the World Wide Web (<http://www.sec.gov>) that contains the reports, proxy and information statements and other information that we and other registrants file electronically with the Commission. You can also inspect reports and other information we file at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, and the Pacific Exchange, 301 Pine Street, San Francisco, California 94104.

This prospectus is a part of a registration statement on Form S-3 filed with the Commission to register offers and sales of the securities described in this prospectus under the Securities Act of 1933, as amended. The registration statement contains additional information about us and the securities. You may obtain the registration statement and its exhibits from the Commission as indicated above or from us.

The Commission allows us to provide information about our business and other important information to you by incorporating by reference the information we file with the Commission, which means that we can disclose that information to you by referring in this prospectus to the documents we file with the Commission. Under the Commission's regulations, any statement contained in a document incorporated by reference in this prospectus is automatically updated and superseded by any information contained in this prospectus, or in any subsequently filed document of the types described below.

We incorporate into this prospectus by reference the following documents filed by us with the Commission, each of which should be considered an important part of this prospectus:

<b>SEC Filing (File No. 1-8389)</b>	<b>Period Covered or Date of Filing</b>
Annual Report on Form 10-K	Year ended December 31, 2003
Quarterly Report on Form 10-Q and Amendment No. 1 to Quarterly Report on Form 10-Q/A	Quarter ended March 31, 2004
Current Reports on Form 8-K	Dated February 25, 2004, February 27, 2004, March 19, 2004 and April 26, 2004
Description of our common stock contained in Registration Statement on Form 8-A, as supplemented by the description of our common stock contained in this prospectus	Effective June 30, 1981
All subsequent documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934	After the date of this prospectus and before the termination of the offering

You may request a copy of each of our filings at no cost, by writing or telephoning us at the following address, telephone or facsimile number:

Investor Services Department

Public Storage, Inc.

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701 Western Avenue

Glendale, California 91201-2397

Telephone: (800) 421-2856

(818) 244-8080

Facsimile: (818) 241-0627

Exhibits to a document will not be provided unless they are specifically incorporated by reference in that document.

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**FORWARD-LOOKING STATEMENTS**

This prospectus includes or incorporates by reference forward-looking statements, including those identified by the words expects, believes, anticipates, should, estimates, may, will, seeks, intends, plans, pro forma, or the negative of these words and phrases or similar words, which convey the uncertainty of future events or outcomes. Discussions of strategy, plans or intentions also include forward-looking statements. Forward-looking statements are subject to risks and uncertainties and you should not rely on them as predictions of future events. In addition to the factors described in this prospectus under Risk Factors, some of these factors include:

the impact of competition from new and existing self-storage and commercial facilities which could impact rents and occupancy levels at our facilities;

our ability to evaluate, finance and integrate acquired and developed properties into our existing operations;

our ability to effectively compete in the markets in which we do business;

the impact of the regulatory environment as well as national, state and local laws and regulations, including, without limitation, those governing real estate investment trusts;

profitability of the Pickup and Delivery business;

the impact of general economic conditions upon rental rates and occupancy levels at our facilities; and

the availability of permanent capital at attractive rates.

These factors, as well as changes in the real estate markets and the general economy, could cause future events and actual results to differ materially from those set forth or contemplated in the forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus or in the incorporated documents might not occur and actual results could be substantially different than expected.

**Table of Contents****THE COMPANY**

We are a fully integrated, self-administered and self-managed real estate investment trust or REIT that acquires, develops, owns and operates self-storage facilities which offer self-storage spaces for lease for personal and business use. We are the largest owner and operator of self-storage facilities in the United States with equity interests (through direct ownership, as well as general and limited partnership interests), as of March 31, 2004, in 1,413 storage facilities located in 37 states. We also own an interest in PS Business Parks, Inc., a REIT that, as of March 31, 2004, owned approximately 18.3 million net rentable square feet of space in eight states.

We elected to be taxed as a REIT beginning with our 1981 taxable year. So long as we continue to qualify as a REIT, we will not be taxed, with certain limited exceptions, on the net income that we distribute currently to our shareholders. We were incorporated in California in 1980. Our principal executive offices are located at 701 Western Avenue, Glendale, California 91201-2349. Our telephone number is (818) 244-8080.

**USE OF PROCEEDS**

Unless otherwise described in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities described in this prospectus to make investments in self-storage facilities, including development, interests in partnerships and other entities and mortgage loans and for general corporate purposes, including repayment of debt and the redemption of outstanding securities. Pending application, we may invest the net proceeds in short-term, interest bearing securities.

**RATIO OF EARNINGS TO FIXED CHARGES**

We compute our ratio of earnings to combined fixed charges and preferred distributions by dividing our earnings by the sum of our fixed charges and preferred stock and preferred unit distributions. We compute our ratio of earnings to fixed charges by dividing our earnings by our fixed charges. Earnings consists of net income before interest expense and minority interests that have fixed charges.

	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>				
	<b>2004</b>	<b>2003</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Ratio of earnings to combined fixed charges and preferred distributions, including the impact of EITF Topic D-42 (a)	1.44	1.76	1.96	1.83	2.05	2.38	2.78
Ratio of earnings to combined fixed charges and preferred distributions, prior to impact of EITF Topic D-42	1.60	1.85	2.04	1.89	2.24	2.38	2.78
Ratio of earnings to fixed charges	70.10	42.75	51.59	34.13	29.64	25.11	23.92

- (a) Emerging Issues Task Force ( EITF ) Topic D-42, The Effect on the Calculation of Earnings per Share for the Redemption or the Induced Conversion of Preferred Stock provides, among other things, that any excess of (1) the fair value of the consideration transferred to the holders of preferred stock redeemed over (2) the carrying amount of the preferred stock should be subtracted from net earnings to determine net earnings available to common shareholders in the calculation of earnings per share. At the July 31, 2003 meeting of the EITF, the Securities and Exchange Commission Observer clarified that for purposes of applying EITF Topic D-42, the carrying amount of

the preferred stock should be reduced by the issuance costs of the preferred stock, regardless of where in the stockholders' equity section those costs were initially classified on issuance. This ratio reflects the SEC Observer's clarification.

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**DESCRIPTION OF COMMON STOCK**

We are authorized to issue up to 200,000,000 shares of common stock. At March 31, 2004, we had outstanding 128,521,627 shares of common stock (excluding shares issuable upon conversion of convertible securities and shares subject to options).

**Common Stock**

The following description of our common stock, par value \$0.10 per share, sets forth certain general terms and provisions of our common stock to which any prospectus supplement may relate, including a prospectus supplement providing that common stock will be issuable upon conversion of preferred stock or equity stock or upon the exercise of warrants. The statements below describing our common stock are in all respects subject to and qualified in their entirety by reference to the applicable provisions of our articles of incorporation and bylaws.

Holders of our common stock will be entitled to receive dividends when, as and if declared by our board of directors, out of funds legally available for distribution. If we fail to pay dividends on our outstanding preferred stock, generally we may not pay dividends on our common stock or repurchase those shares. If we liquidate, dissolve or wind up our affairs, holders of common stock will be entitled to share equally and ratably in any assets available for distribution to them, after payment or provision for payment of our debts and other liabilities and the preferential amounts owing with respect to any of our outstanding preferred stock. Holders of our common stock have no preemptive rights, which means they have no right to acquire any additional shares of common stock that we may issue at a later date. See Description of Preferred Stock.

The holders of our common stock are entitled to cast one vote for each share on all matters presented to our holders for a vote, with the exception that they have cumulative voting rights with respect to the election of our board of directors, in accordance with California law. Cumulative voting means that each holder of our common stock is entitled to cast as many votes as there are directors to be elected multiplied by the number of shares registered in his or her name. A holder of our common stock may cumulate the votes for directors by casting all of the votes for one candidate or by distributing the votes among as many candidates as he or she chooses. The outstanding shares of our common stock are, and additional shares of common stock will be, when issued, fully paid and nonassessable.

The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock or our equity stock which are outstanding or which we may designate and issue in the future. See Description of Preferred Stock and Description of Equity Stock.

**Ownership Limitations**

To qualify as a REIT under the Internal Revenue Code of 1986, as amended, no more than 50% in value of our outstanding shares of capital stock may be owned, directly or constructively under the applicable attribution rules of the Internal Revenue Code, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year. In order to maintain our qualification as a REIT, our organizational documents restrict the number of shares of capital stock that any shareholder may own.



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In a series of transactions among Public Storage Management, Inc. and its affiliates (collectively, Public Storage Management ), culminating in the November 16, 1995 merger of Public Storage Management into Storage Equities, Inc., Storage Equities became self-administered and self-managed, acquired substantially all of Public Storage Management 's United States real estate interests and was renamed Public Storage, Inc.

Our articles of incorporation and bylaws provide that, subject to certain exceptions, no holder may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code, more than (A) 2.0% of

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the outstanding shares of our common stock and (B) 9.9% of the outstanding shares of each class or series of shares of our preferred stock or equity stock and that all shares of stock be imprinted with a legend setting forth that restriction. Our articles of incorporation provide, however, that no person will be deemed to exceed the ownership limit solely by reason of the beneficial ownership of shares of any class of stock to the extent that those shares of stock were beneficially owned by the person (including the Hughes family) after the merger with Public Storage Management. Thus, this limitation does not affect the ownership of common stock held by the Hughes family at the time of the merger. The ownership limitation is intended to preserve our REIT status in view of the Hughes family's substantial ownership interest in us. We cannot provide any assurance, however, that this ownership limit will enable us to satisfy the requirement that a REIT not be closely held within the meaning of Section 856(h) of the Internal Revenue Code for any given taxable year.

Our articles of incorporation and bylaws provide that our board of directors, in its sole and absolute discretion, may grant exceptions to the ownership limits, so long as (A) our board has determined that we would not be closely held within the meaning of Section 856(h) of the Internal Revenue Code (without regard to whether the event in question takes place during the second half of a taxable year) and would not otherwise fail to qualify as a REIT, after giving effect to an acquisition by an excepted person of beneficial ownership of the maximum amount of capital stock permitted as a result of the exception to be granted, and taking into account the existing and permitted ownership by other persons of stock (taking into account any other exceptions granted) and (B) the excepted persons provide to our board the representations and undertakings as our board may require. In any case, no holder may own or acquire, either directly, indirectly or constructively under the applicable attribution rules of the Internal Revenue Code, any shares of any class of capital stock if the ownership or acquisition (1) would cause more than 50% in value of our outstanding capital stock to be owned, either directly or constructively, under the applicable attribution rules of the Internal Revenue Code, by five or fewer individuals (as defined in the Internal Revenue Code to include certain tax-exempt entities, other than, in general, qualified domestic pension funds), (2) would result in our stock being beneficially owned by less than 100 persons (determined without reference to any rules of attribution), or (3) would otherwise result in our failing to qualify as a REIT.

Our articles of incorporation and bylaws generally provide that if any holder of capital stock purports to transfer shares to a person or there is a change in our capital structure, and either the transfer or the change in capital structure would result in our failing to qualify as a REIT, or the transfer or the change in capital structure would cause the transferee to hold shares in excess of the applicable ownership limit, then the shares causing the violation will be automatically transferred to a trust for the benefit of a designated charitable beneficiary. The purported transferee of those shares will have no right to receive dividends or other distributions with respect to them and will have no right to vote the shares. Any dividends or other distributions paid to the purported transferee prior to our discovery that the shares have been transferred to a trust will be paid to the trustee of the trust for the benefit of the charitable beneficiary upon demand. The trustee will designate a transferee of those shares so long as the shares would not violate the restrictions on ownership or transfer in our articles of incorporation in the hands of the designated transferee. Upon the sale of the shares, the purported transferee will receive out of any proceeds remaining after payment of expenses of the charitable trust and us the lesser of (A)(1) the price per share the purported transferee paid for the stock in the purported transfer that resulted in the transfer of the shares to the trust, or (2) if the transfer or other event that resulted in the transfer of the shares to the trust was not a transaction in which the purported transferee gave full value for the shares, a price per share equal to the market price on the date of the purported transfer or other event that resulted in the transfer of the shares to the trust and (B) the price per share received by the trustee from the sale or other disposition of the shares held in the trust. Each purported transferee will be deemed to have waived any claims the purported transferee may have against the trustee and us arising from the disposition of the shares, except for claims arising from the trustee's or our gross negligence, willful misconduct, or failure to make payments when required by our articles of incorporation.

In addition, our bylaws provide our board of directors with the power to prevent the transfer of shares of capital stock or to redeem shares of capital stock if the board of directors determines in good faith that the action is necessary to preserve our status as a REIT.

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**DESCRIPTION OF PREFERRED STOCK**

We are authorized to issue up to 50,000,000 shares of preferred stock, par value \$0.01 per share. At March 31, 2004, we had outstanding 7,368,486 shares of preferred stock (of which 73,486 shares were represented by 73,486,000 depository shares) and had reserved for issuance an additional 14,600 shares of preferred stock. Our articles of incorporation provide that the preferred stock may be issu