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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 12, 2006

Commission File Number 1-13610

PMC COMMERCIAL TRUST

(Exact name of registrant as specified in its charter)

TEXAS

(State or other jurisdiction
of incorporation or organization)

75-6446078

(I.R.S. Employer Identification No.)

17950 Preston Road, Suite 600, Dallas, TX 75252

(Address of principal executive offices)

(972) 349-3200

(Registrant's telephone number)

Former name, former address and former fiscal year, if changed since last report: NONE

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:

- 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))
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Item 2.02. Results of Operations and Financial Condition

On May 12, 2006, PMC Commercial Trust issued a press release describing, among other things, its results of operations for the three months ended March 31, 2006. A copy of the press release is attached as Exhibit 99.1 to this report. This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits

99.1 Press Release dated May 12, 2006.

SIGNATURE

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 15, 2006

PMC COMMERCIAL TRUST

By: /s/ Barry N. Berlin
Barry N. Berlin, Chief Financial Officer

FOR IMMEDIATE PRESS RELEASE

FOR: PMC Commercial Trust
17950 Preston Road, Suite 600
Dallas, TX 75252

CONTACT: Investor Relations
972-349-3235

PMC Commercial Trust Announces First Quarter Results**PMC Commercial Trust
AMEX (Symbol PCC)**

Dallas, TX

May 12, 2006

PMC Commercial Trust (AMEX: PCC) announced first quarter results today. Income from continuing operations increased to \$3,224,000 (\$0.30 per share) during the three months ended March 31, 2006 from \$3,151,000 (\$0.29 per share) during the three months ended March 31, 2005. For the three months ended March 31, 2006, net income was \$5,041,000, or \$0.47 per share, compared to \$4,116,000, or \$0.38 per share, for the three months ended March 31, 2005. The primary reason for the increase in our net income during the three months ended March 31, 2006 was net gains on sales of real estate of \$1,877,000.

Revenues increased by \$1.0 million from \$6.3 million during the three months ended March 31, 2005 to \$7.3 million during the three months ended March 31, 2006. The increase resulted from increased interest income (approximately \$1.2 million) due primarily to increases in variable interest rates (both prime and LIBOR) and hotel property revenues (approximately \$400,000) resulting from the operations of our three properties held for use which commenced in mid January 2006. These increases were partially offset by a reduction in lease income and income from retained interests in transferred assets of approximately \$500,000.

Expenses increased by \$1.1 million from \$2.9 million during the first quarter of 2005 to \$4.0 million during the first quarter of 2006. This increase was due primarily to increased interest expense of approximately \$400,000 resulting from increases in variable interest rates (both prime and LIBOR), a provision for loss on rent and related receivables of \$300,000 and approximately \$400,000 of hotel property expenses resulting from the operations of our three properties held for use that commenced in mid January 2006.

Dr. Andrew S. Rosemore, Chairman of the Board, stated, "As I have discussed previously, our company has committed to the sale of the 32 hotel properties that were formerly either leased or owned by Arlington Hospitality, Inc. I'm pleased to report that as a result of our proactive sales effort, only seven of these properties remain. The sales proceeds which have been achieved are very encouraging.

"We anticipate the disposition of all but three of the hotel properties before the end of 2006. During 2006, we sold eight Amerihost properties resulting in net gains of approximately \$1.9 million.

"The SBA recently notified us that our SBLC subsidiary is now approved as a national SBA 7(a) preferred lender. This designation is expected to have a positive impact on our SBA guaranteed loan originations due to the acceleration of our closing process. We are presently increasing our marketing effort to take advantage of this opportunity. The SBA guaranteed loan program provides us with a very attractive return resulting from the ability to sell the guaranteed portion of these loans at a premium."

The following tables contain comparative selected financial data as of March 31, 2006 and December 31, 2005 and for the three months ended March 31, 2006 and 2005:

FINANCIAL POSITION INFORMATION*(In thousands)*

	March 31, 2006	December 31, 2005	Increase (Decrease) %
Loans receivable, net	\$ 157,498	\$ 157,574	—
Retained interests in transferred assets	\$ 60,571	\$ 62,991	(4%)
Real estate investments	\$ 12,948	\$ 23,550	(45%)
Total assets	\$ 247,356	\$ 259,192	(5%)
Debt	\$ 75,868	\$ 87,615	(13%)
Total beneficiaries' equity	\$ 157,882	\$ 157,017	1%
Shares outstanding	10,742	10,766	—

RESULTS OF OPERATIONS*(In thousands, except per share information)*

	Three Months Ended March 31,		Incr (Decr) %
	2006	2005	
Income:			
Interest income	\$ 3,682	\$ 2,487	48%
Lease income	58	299	(81%)
Income from retained interests in transferred assets	2,253	2,527	(11%)
Hotel revenues	434	—	N/A
Other income	874	957	(9%)
Total income	<u>7,301</u>	<u>6,270</u>	<u>16%</u>
Expenses:			
Interest	1,460	1,032	41%
Depreciation	62	81	(23%)
Salaries and related benefits	1,060	1,055	—
General and administrative expenses	607	597	2%
Hotel property expenses	383	—	N/A
Realized losses on retained interests in transferred assets	48	21	129%
Provision for loss on rent and related receivables	300	—	N/A
Provision for loan losses, net	51	153	(67%)
Total expenses	<u>3,971</u>	<u>2,939</u>	<u>35%</u>
Income before income tax provision, minority interest and discontinued operations	3,330	3,331	(0%)
Income tax expense	(84)	(158)	(47%)
Minority interest (preferred stock dividend of subsidiary)	<u>(22)</u>	<u>(22)</u>	<u>—</u>
Income from continuing operations	3,224	3,151	2%
Discontinued operations	<u>1,817</u>	<u>965</u>	<u>88%</u>
Net income	<u>\$ 5,041</u>	<u>\$ 4,116</u>	<u>22%</u>
Basic weighted average shares outstanding	<u>10,746</u>	<u>10,877</u>	
Basic and diluted earnings per share:			
Income from continuing operations	\$ 0.30	\$ 0.29	3%
Discontinued operations	0.17	0.09	89%
Net income	<u>\$ 0.47</u>	<u>\$ 0.38</u>	<u>24%</u>

REAL ESTATE INVESTMENT TRUST (“REIT”) TAXABLE INCOME

Taxable REIT income is presented to assist investors in analyzing our performance and is a measure that is presented quarterly in our consolidated financial statements and is one of the factors utilized by our Board of Trust Managers in determining the level of dividends to be paid to our shareholders.

The following reconciles net income to taxable REIT income:

	Three Months Ended March 31,	
	2006	2005
	<i>(In thousands)</i>	
Net income	\$ 5,041	\$ 4,116
Less: taxable REIT subsidiaries net income, net of tax	(178)	(229)
Add: book depreciation	71	437
Less: tax depreciation	(334)	(360)
Book/tax difference on property sales	350	(39)
Book/tax difference on lease income	—	(381)
Book/tax difference on retained interests in transferred assets, net	228	515
Impairment losses	43	—
Provision for loss on rent and related receivables	300	—
Book/tax difference on loans receivable	(889)	110
Other book/tax differences, net	5	(37)
REIT taxable income	<u>\$ 4,637</u>	<u>\$ 4,132</u>
Distributions declared	<u>\$ 3,223</u>	<u>\$ 3,807</u>
Common shares outstanding	<u>10,746</u>	<u>10,877</u>

CERTAIN MATTERS DISCUSSED IN THIS PRESS RELEASE ARE “FORWARD-LOOKING STATEMENTS” INTENDED TO QUALIFY FOR THE SAFE HARBORS FROM LIABILITY ESTABLISHED BY THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE FORWARD-LOOKING STATEMENTS CAN GENERALLY BE IDENTIFIED AS SUCH BECAUSE THE CONTEXT OF THE STATEMENT WILL INCLUDE WORDS SUCH AS THE COMPANY “EXPECTS,” “ANTICIPATES” OR WORDS OF SIMILAR IMPORT. SIMILARLY, STATEMENTS THAT DESCRIBE THE COMPANY’S FUTURE PLANS, OBJECTIVES OR GOALS ARE ALSO FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES, INCLUDING THE FINANCIAL PERFORMANCE OF THE COMPANY, REAL ESTATE CONDITIONS AND MARKET VALUATIONS OF ITS STOCK, WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CURRENTLY ANTICIPATED. ALTHOUGH THE COMPANY BELIEVES THE EXPECTATIONS REFLECTED IN ANY FORWARD-LOOKING STATEMENTS ARE BASED ON REASONABLE ASSUMPTIONS, THE COMPANY CAN GIVE NO ASSURANCE THAT ITS EXPECTATIONS WILL BE ATTAINED. SHAREHOLDERS, POTENTIAL INVESTORS AND OTHER READERS ARE URGED TO CONSIDER THESE FACTORS CAREFULLY IN EVALUATING THE FORWARD-LOOKING STATEMENTS. THE FORWARD-LOOKING STATEMENTS MADE HEREIN ARE ONLY MADE AS OF THE DATE OF THIS PRESS RELEASE AND THE COMPANY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE SUCH FORWARD-LOOKING STATEMENTS TO REFLECT SUBSEQUENT EVENTS OR CIRCUMSTANCES.