

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):

June 20, 2014

SUMMIT HEALTHCARE REIT, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

000-52566
(Commission
File Number)

73-1721791
(I.R.S. Employer
Identification No.)

2 South Pointe Drive, Suite 100, Lake Forest, California 92630
(Address of principal executive offices)

(949) 852-1007
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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.
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act.
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act.
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.
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Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics

Attached is a revised Code of Business Conduct and Ethics adopted June 23, 2014.

Item 8.01 Other Events

Attached hereto as Exhibit 99.1 is a communication that Summit Healthcare REIT, Inc. is sending to its security holders.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits

- 14.1 Code of Business Conduct and Ethics
 - 99.1 Communications to security holders dated June 20, 2014
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SIGNATURES

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

SUMMIT HEALTHCARE REIT, INC.

By: /s/ Dominic J. Petrucci

Name: Dominic J. Petrucci

Title: Chief Financial Officer

Dated: June 23, 2014

SUMMIT HEALTHCARE REIT, INC.

Code of Business Conduct and Ethics

Introduction

This Code of Business Conduct and Ethics (“Code”) embodies the commitment of Summit Healthcare REIT, Inc. (the “Company”) to conduct our business in accordance with all applicable laws, rules and regulations and the highest ethical standards. We insist that all of our employees maintain the highest level of integrity in all their dealings with and on behalf of the Company.

This Code of Business Conduct and Ethics is intended to document the principles of conduct and ethics to be followed by the Company’s directors, officers and employees, including its principal financial officer and its principal accounting officer. Its purpose is to:

- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships,
- Promote compliance with applicable governmental rules and regulations,
- Provide guidance to directors, officers and employees to help them recognize and deal with ethical issues,
- Provide mechanisms to report unethical conduct, and
- Help foster a culture of honesty and accountability.

The Company will expect all its directors, officers and employees to comply at all times with the principles in this Code. A violation of this Code by an employee is grounds for disciplinary action up to and including discharge and possible legal prosecution. We also expect the independent contractors we retain to generally abide by this Code. For purposes of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, Section II of this Code shall be our code of ethics for Senior Financial Officers as defined in Section II.

SECTION I

BUSINESS PRINCIPALS

A. Shareholder Interests

Our shareholders’ interests always come first. We hold our fiduciary obligation to our shareholders in the highest regard and will seek to communicate transparently to them on a regular basis.

B. Our Assets

Our assets are our people, capital and reputation. If any of these is ever diminished, the last is the most difficult to restore. We are dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our success depends upon unswerving adherence to this standard.

C. Teamwork

We stress teamwork in everything we do. While individual creativity is always encouraged, we have found that team effort often produces the best results. We have no room for those who put their personal interests ahead of the interests of the Company and its shareholders.

D. Confidential Information

We regularly receive confidential information as part of conducting our day to day operations. To breach a confidence or to use confidential information improperly or carelessly would be unacceptable and may result in disciplinary action.

E. Fairness in Competition

Our industry is highly competitive, and we aggressively seek to expand our business relationships. However, we must always act professionally and t never disparage other companies.

F. Integrity and Honesty

Integrity and honesty are at the heart of our business. We expect our people to maintain high ethical standards in everything they do. We expect our employees, officers and directors to advance the interests of the Company and to do so in a manner that is consistent with the highest standards of integrity and ethical dealing. No employee is to take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair-dealing practice.

SECTION II

A. Compliance and Reporting

Directors, officers and employees should strive to identify and report potential issues before they lead to problems, and should ask about the application of this Code whenever in doubt. Any director, officer or employee who becomes aware of any existing or potential violation of this Code should promptly notify, in the case of officers and employees, the Chief Executive Officer, President or the Chief Financial Officer (the “Senior Financial Officers”), and in the case of directors, the Chairman of the Audit Committee (we refer to such contacts as “Appropriate Ethics Contacts”). The Company will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of this Code brought to its attention.

The identity of the employee who reports a possible violation of this Code will be kept confidential, except to the extent the employee who reports the possible violation consents to be identified or the identification of that employee is required by law. The Company will not allow retaliation for reports of possible violations made in good-faith. Possible violations may be reported orally or in writing and may be reported anonymously.

Any questions relating to how these policies should be interpreted or applied should be addressed to an Appropriate Ethics Contact.

B. Conflicts of Interest

Directors, officers and employees must do everything they reasonably can to avoid conflicts of interest or the appearance of conflicts of interest.

A “conflict of interest” occurs when an individual’s private interest is different from the interests of the Company as a whole. Conflict situations include:

- When a director, officer or employee, or a member of his or her family, will benefit personally from something the director, officer or employee does or fails to do that is not in the best interests of the Company,
 - When an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company duties objectively and effectively. This includes receiving remuneration from an entity other than the Company without specific prior approval from an Appropriate Ethics Contact, and
 - When an employee, officer or director, or a member of his or her family, receives personal benefits in excess of \$500 from somebody other than the Company as a result of his or her position in the Company, unless authorized in advance by an Appropriate Ethics Contact. Loans to, or guarantees of obligations on behalf of employees, officers or directors are of special concern.
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If a conflict of interest becomes unavoidable, a director, officer or employee must promptly report the conflict of interest to the Appropriate Ethics Contact. In each instance the director, officer or employee will work with the person or persons to whom a conflict of interest is reported to devise an arrangement by which (1) that person or those persons (or their designee) will monitor the situation which creates, or gives the appearance of creating, a conflict of interest, (2) the director, officer or employee who has a conflict will, to the fullest extent possible, be kept out of any decisions that might be affected by the conflict of interest, (3) arrangements will be made to ensure that the director, officer or employee will not profit personally from the situation that causes the conflict of interest, and (4) every reasonable effort will be made to eliminate the conflict of interest as promptly as possible.

C. Public Disclosure

It is the Company's policy that the information in its public communications, including SEC filings, be full, fair, accurate, timely and understandable. All employees, officers and directors who are involved in the Company's disclosure process, including the Senior Financial Officers, are responsible for acting in furtherance of this policy. In particular, these individuals are required to maintain familiarity with the disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to others, whether within or outside the Company, including the Company's independent auditors. In addition, any employee, officer or director who has a supervisory role in the Company's disclosure process has an obligation to perform his or her responsibilities diligently.

D. Compliance with Laws, Rules and Regulations

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee, officer and director to adhere to the standards and restrictions imposed by those laws, rules and regulations.

Generally, it is both illegal and against Company policy for any employee, officer or director who is aware of any material nonpublic information to buy or sell any securities of those issuers. Any employee, officer or director who is uncertain about the legal rules involving his or her purchase or sale of any securities in issuers that he or she is familiar with by virtue of his or her work for the Company should consult with an Appropriate Ethics Contact before making any such purchase or sale.

SECTION III

A. Corporate Opportunities

No director, officer or employee will:

- make it possible for somebody other than the Company to take advantage of an opportunity in any of the Company's areas of business of which the director, officer or employee becomes aware in the course of his or her activities on behalf of the Company, unless the Company has expressly decided not to attempt to take advantage of the opportunity;
- otherwise use corporate property, information, or position for personal gain; or
- compete with the Company generally or with regard to specific transactions or opportunities.

Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Sometimes the line between personal and Company benefits is difficult to draw. Sometimes both personal and Company benefits may be derived from certain activities. The prudent course of conduct for our employees, officers and directors is to make sure that any use of Company property or services that is not solely for the benefit of the Company is approved beforehand through the Appropriate Ethics Contact.

B. Confidentiality

In carrying out the Company's business, employees, officers and directors often learn confidential or proprietary information about the Company and those with whom it conducts business. Employees, officers and directors must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally compelled. Confidential or proprietary information includes, among other things, all information that may be of use to the Company's competitors, or that could be harmful to the Company or its shareholders if disclosed, any non-public information concerning the Company, including its businesses, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was intended.

C. Equal Employment Opportunity and Harassment

Our focus in personnel decisions is on merit and contribution to the Company's success. Concern for the personal dignity and individual worth of every person is an indispensable element in the standard of conduct that we have set for ourselves. The Company affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or circumstance. This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee. We do not tolerate or condone any type of discrimination prohibited by law, including harassment.

D. Protection and Proper Use of Company Assets

All employees should protect Company assets and ensure their efficient use. All Company assets should be used for legitimate business purposes only.

Any equipment purchased or owned by the Company and used by an employee, officer or director remains the property of the Company. Any personal information or utilization of such Company assets is discouraged, and may be used by the Company to investigate a potential violation of this Code or other matters it elects to pursue.

SECTION IV

WAIVERS OF THIS CODE

From time to time, the Company may waive certain provisions of this Code. Any employee, officer or director who believes that a waiver may be called for should discuss the matter with an Appropriate Ethics Contact. Waivers for executive officers (including Senior Financial Officers) or directors of the Company may be made only by the Board of Directors or a committee of the Board in a manner deemed appropriate by the Appropriate Ethics Contact as they see fit.

Any waiver of provisions of this Code will be reported in filings with the SEC and otherwise reported to the Company's stockholders to the full extent required by the rules of the SEC.

SUMMIT HEALTHCARE REIT, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

Annual Compliance Certificate

This Certificate is to acknowledge that I have read Summit Healthcare REIT, Inc.'s Code of Business Conduct and Ethics and I understand its meaning. If a change in circumstances occurs which should be reported in accordance with the Code, I will promptly report this change in circumstances to the Appropriate Ethics Contact identified in the Code and file a revised Certificate with Summit Healthcare REIT, Inc. I further certify that, to the best of my knowledge, neither I nor any of my family members or affiliates have engaged in any activity or has any interest which violates the Code, nor am I aware of a violation of the Code by any director, officer or employee except as follows (if none, write "None" below):

Date: _____, 2014

Signature

Printed Name



June 20, 2014

Dear Summit Healthcare REIT, Inc. Shareholder:

We are providing you with an update of the recent activities of Summit Healthcare REIT, Inc. (the "REIT" or the "Company"). Our current real estate portfolio consists of investments in twelve properties. The Portfolio Summary in Exhibit A contains highlights of these investments. No new investments were made during the first quarter of 2014.

We are pleased to announce that over the last several months we have made significant progress on our transition to becoming a self-managed REIT. As we previously communicated, on March 17, 2014, our board of directors (the "Board") elected to become self-managed, and accordingly we provided our former advisor with notice terminating the Advisory Agreement. Since April 1, 2014, we directly hired ten employees, and on April 4, 2014, we secured office space where our ongoing operations will be based. We officially moved in on May 5, 2014.

We believe the decision to become self-managed will provide numerous intermediate and long-term financial and operational efficiencies. Despite certain immediate costs that are expected to be non-recurring, we believe self-management will allow us to realize increased funds from operations and shareholder value in a shorter period of time than if we had remained externally managed.

First Quarter 2014 Report

On May 15, 2014, we filed our quarterly report on Form 10-Q for the period ended March 31, 2014. Revenue generated by our healthcare properties in the first quarter of 2014 were \$1.9 million compared to \$1.4 million in the comparable period of 2013 due to the acquisition of six properties in 2013. Total expenses increased over these same periods by \$0.6 million, primarily due to increased depreciation and amortization expense. General and administrative costs decreased from \$1.0 million in the first quarter of 2013 to \$0.7 million in the first quarter of 2014. Cash used in operations was \$0.2 million in the first quarter of 2014 compared to \$0.3 million the first quarter of 2013.

Please note, on June 4, 2014, we filed an amendment to our annual report for the period ended December 31, 2013, on Form 10-K/A. To view the complete quarterly report on Form 10-Q filed for the period ended March 31, 2014, or the amendment to the annual report on Form 10-K/A filed on June 4, 2014, please visit our website as follows: 1) Go to www.SummitHealthcareREIT.com, 2) Open the drop-down menu under the "Investors" tab at the top, 3) Click on "SEC Filings," and 4) Click on "10-Q 03/31/2014" or "10-K A 06/04/2014."

Friendship Haven Healthcare and Rehabilitation Center

On May 1, 2014, we terminated the lease agreement with the tenant of our facility in Galveston County, Texas, known as Friendship Haven Healthcare and Rehabilitation Center. The termination was necessary as a result of the tenant's failure to pay the rent payments owed to the REIT since January 2014 and its related bankruptcy filing. In place of our former tenant, we have become the licensed operator of this facility through a wholly-owned taxable REIT subsidiary and have begun to see facility operations slowly improving. We plan to operate the facility until a long-term lease agreement can be executed with a financially stable tenant. It is our intention to secure such a lease during 2014. Furthermore, we plan to invest in certain capital expenditures that we expect will enhance operating performance at the facility.

HUD Refinancing

We have been in the process of refinancing our Sheridan Care Center, Fern Hill Care Center, Farmington Square, and Danby House facilities with the U.S. Department of Housing and Urban Development or HUD. We expect this financing to close in the third quarter of 2014. Additionally, we have begun the HUD financing application process for our Aledo, Shelby House, Hamlet House, and Carteret House facilities. We expect the financing to close on these later facilities in the fourth quarter of 2014.

Repositioning Strategy Update

In June 2011, we began to evaluate strategic options that we believed could enhance shareholder value. The decision was made to liquidate our industrial assets and to redeploy the sales proceeds into healthcare related properties. Our repositioning process is summarized as follows:

- *Phase I – Liquidate industrial assets.* This phase was completed as of the fourth quarter 2013.
- *Phase II – Redeploy capital into healthcare properties.* This phase is expected to be completed by the end of 2014.
- *Phase III – Attract and venture with institutional third party capital, which we believe will enable us to grow the healthcare portfolio and increase revenue and funds from operations.* This phase has commenced in the second quarter of 2014 and is expected to continue into 2015.

We look forward to providing additional news regarding the advancement of Phases II and III in upcoming quarterly updates.

New Contact Information

If you missed our notification, our corporate office has moved. To inquire about REIT activities or to address the Board, please contact us as follows:

Summit Healthcare REIT, Inc.
2 South Pointe Drive, Suite 100
Lake Forest, CA 92630
Phone: (800) 978-8136

All investor account inquiries and requests should continue to be directed to our transfer agent, ACS Securities Services, Inc. Furthermore we have a new website. To find information regarding the REIT and to access your secure online account through either the Investor Portal or the Financial Advisor Portal, please visit the following website: **www.SummitHealthcareREIT.com.** **PLEASE NOTE: While our previous website (www.SHREIT.com) remains accessible, it is not under our operation, and you should not rely on any information on that prior website.**

Thank you for your patience regarding this transition, and we apologize for any inconvenience you may have encountered as a result. If you have any questions, please contact your financial advisor or Investor Services at (888) 522-1771.

Sincerely,

/s/ Dominic J. Petrucci
Dominic J. Petrucci
Chief Financial Officer

cc: Financial Advisor

This letter contains forward-looking statements relating to the business and financial outlook of Summit Healthcare REIT, Inc. that are based on our current expectations, estimates, forecasts and projections and are not guarantees of future performance. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on any such statements. A number of important factors could cause actual results to differ materially from the forward-looking statements contained in this release. Such factors include those described in the Risk Factors sections of the Summit Healthcare REIT, Inc.'s annual report on Form 10-K for the year ended December 31, 2014 and quarterly report for the period ended March 31, 2014. Forward-looking statements in this document speak only as of the date on which such statements were made, and we undertake no obligation to update any such statements that may become untrue because of subsequent events. We claim the safe harbor protection for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Summit Healthcare REIT, Inc. – Portfolio Summary

As of March 31, 2014

Healthcare Portfolio¹

PROPERTY	LOCATION	ACQUISITION DATE	OWNERSHIP PERCENTAGE	NET BOOK VALUE ² (in millions)	SQUARE FEET	CURRENT DEBT (in millions)
Joint Venture Portfolio ³						
Sheridan Care Center	Sheridan, OR	Aug-12	89.0%	\$3.8	13,912	\$2.8
Fern Hill Care Center	Portland, OR	Aug-12	89.0%	\$4.2	13,344	\$3.0
Farmington Square Medford	Medford, OR	Sept-12	89.0%	\$8.1	32,557	\$5.8
Friendship Haven Healthcare and Rehabilitation Center	Galveston County, TX	Sept-12	89.0%	\$14.1	56,968	\$10.6
Pacific Health & Rehabilitation	Tigard, OR	Dec-12	89.0%	\$7.8	25,082	\$6.0
Danby House	Winston-Salem, NC	Jan-13	95.0%	\$9.4	26,703	\$7.2
Heritage Woods of Aledo	Aledo, IL	Jul-13	100%	\$8.5	49,420	\$5.9
North Carolina Facilities						
Carteret House	Newport, NC	Oct-13	100%	\$4.2	29,570	\$3.2
Hamlet House	Hamlet, NC	Oct-13	100%	\$6.4	34,638	\$4.8
Shelby House	Shelby, NC	Oct-13	100%	\$4.4	23,074	\$3.4
Kirkwood Redding	Redding, CA	Dec-13	100%	\$3.6	26,081	-
Healthcare Portfolio Total				\$74.5 million	331,349	\$52.7 million

Legacy Portfolio⁴

PROPERTY	LOCATION	ACQUISITION DATE	OWNERSHIP PERCENTAGE	NET BOOK VALUE ¹ (in millions)	SQUARE FEET
Sherburne Commons	Nantucket, MA	Dec-09	N/A	\$3.8	96,302
Legacy Portfolio Total				\$3.8 million	96,302

¹Each of the properties in our healthcare portfolio is leased to a single tenant/operator under a triple net lease with the exception of Friendship Haven Healthcare and Rehabilitation Center, where the lease with the operator was terminated on March 17, 2014. We became the licensed operator of the Facility on May 1, 2014, through a wholly-owned taxable REIT subsidiary.

²Net book value is not a fair market value for such properties, which could be more or less than what is listed. The net book value listed represents 100% of each property.

³Summit Healthcare REIT, Inc. holds a majority interest in each of the properties within the Joint Venture Portfolio portion of the Healthcare Portfolio owned through a joint venture entity. The net book value listed represents 100% of each property. The net book value of the REIT's ownership interest in the Joint Venture Portfolio is \$42.8 million.

⁴The remaining property in our Legacy Portfolio is currently being marketed for sale.