

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST
Form 8-K
March 17, 2010

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) March 11, 2010

Pennsylvania Real Estate Investment Trust

(Exact Name of Registrant as Specified in its Charter)

Pennsylvania
(State or Other Jurisdiction of

Incorporation or Organization)

1-6300
(Commission

File Number)

23-6216339
(IRS Employer

Identification No.)

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The Bellevue, 200 S. Broad Street, Philadelphia, Pennsylvania
(Address of Principal Executive Offices)

19102
(Zip Code)

Registrant's telephone number, including area code: (215) 875-0700

(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 (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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 11, 2010, the Executive Compensation and Human Resources Committee (the Compensation Committee) of the Board of Trustees of Pennsylvania Real Estate Investment Trust (the Company) approved 2010 base salaries, restricted share awards and restricted share unit awards and 2009 annual cash incentive awards for the Company's Chief Executive Officer, the three other members of the Company's Office of the Chair and the Chief Financial Officer (collectively, the Named Executive Officers).

2010 Base Salaries

The following table sets forth the annual base salaries for 2010, which represent an increase of 2% (except in the case of Ronald Rubin, where the amount represents no increase) from 2009 salaries, for each of the Named Executive Officers:

| Name | 2010 Base Salary |
|--------------------|------------------|
| Ronald Rubin | \$ 562,648 |
| Edward A. Glickman | \$ 513,958 |
| George F. Rubin | \$ 413,209 |
| Joseph F. Coradino | \$ 413,209 |
| Robert F. McCadden | \$ 395,353 |

2010 Long Term Incentive Plan Awards

The Compensation Committee also approved long term incentive plan awards to each of the Named Executive Officers. The Committee made one half of these awards in the form of time-based restricted shares, and one half of these awards in the form of market based performance-contingent restricted share units, or RSUs, under the Company's 2010-2012 Restricted Share Unit Program. The RSU portion of the award represents the right to earn common shares in the future depending on the Company's total return to shareholders during the three year period beginning January 1, 2010 and ending on the earlier of December 31, 2012 or the date of a Change in Control, as defined in the Program (the Measurement Period).

Restricted Shares. With respect to the portion of the awards made in the form of time-based restricted shares, these shares generally will vest in three equal annual installments on February 15th of the years following the date of grant, subject to continued employment. During the period that the restricted shares have not vested, the recipient is entitled to vote the shares and to receive an amount equal to the dividends that would have been paid on the shares if they had vested at the grant date.

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The following table sets forth the number of restricted shares granted to the Named Executive Officers:

| Name | Number of Restricted Shares (1) | Dollar Value |
|--------------------|---------------------------------|--------------|
| Ronald Rubin | 70,912 | \$ 703,310 |
| Edward A. Glickman | 45,343 | \$ 449,713 |
| George F. Rubin | 39,579 | \$ 392,549 |
| Joseph F. Coradino | 39,579 | \$ 392,549 |
| Robert F. McCadden | 34,879 | \$ 345,934 |

(1) The number of shares shown is based on the 20-day average closing price of the Company's common shares through the day prior to the date of the awards.

The grants of restricted shares were made pursuant to the 2003 Equity Incentive Plan, as amended. The 2003 Equity Incentive Plan, as amended, was filed as Appendix D to the Company's Form S-4/A on October 1, 2003 and is incorporated herein by reference.

Market Based Performance-Contingent Restricted Share Units (RSUs). The RSUs represent the right to earn common shares in the future. The issuance of common shares, if any, by the Company depends on the Company's performance in terms of total return to shareholders (TRS) for the Measurement Period relative to the TRS for the Measurement Period of real estate investment trusts comprising a leading index of real estate investment trusts (the Index REITs). If the Company's TRS performance over the Measurement Period is below the 25th percentile of the Index REITs, then no shares will be earned. If the Company's TRS over the Measurement Period is above the 25th, 50th or 75th percentiles of the Index REITs, then a percentage of the awards ranging from 50% to 150% will be earned. Dividends are deemed credited to the RSU accounts and are applied to acquire more RSUs for the account of the Named Executive Officer at the 20-day average closing price per common share ending on the dividend payment date. Awards will be paid in common shares in an amount equal to the number of RSUs earned at the end of the Measurement Period. Participants in the program may elect to defer receipt of common shares earned.

The following table sets forth information regarding RSUs granted to the Named Executive Officers:

| Name | Number of RSUs (1) | Dollar Value |
|--------------------|--------------------|--------------|
| Ronald Rubin | 70,912 | \$ 703,310 |
| Edward A. Glickman | 45,343 | \$ 449,713 |
| George F. Rubin | 39,579 | \$ 392,549 |
| Joseph F. Coradino | 39,579 | \$ 392,549 |
| Robert F. McCadden | 34,879 | \$ 345,934 |

(1) The number of RSUs shown is based on the 20-day average closing price of the Company's common shares through the day prior to the date of the awards.

2009 Annual Cash Incentive Awards

The Compensation Committee approved the payment of annual cash incentive awards to each of the Named Executive Officers for the year ended December 31, 2009 in the following amounts:

| Name | 2009 Cash Incentive |
|--------------------|---------------------|
| Ronald Rubin | \$ 421,986 |
| Edward A. Glickman | \$ 327,522 |
| George F. Rubin | \$ 263,320 |
| Joseph F. Coradino | \$ 263,320 |
| Robert F. McCadden | \$ 232,561 |

Cash incentive awards to the Named Executive Officers are based upon Funds From Operations for the year ended December 31, 2009 as reported by the Company, subject to the authority of the Compensation Committee to adjust the original target levels as specified in the annual incentive compensation opportunity awards. This authority was exercised in approving the 2009 annual cash incentive awards to all officers of the Company, including the Named Executive Officers.

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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.

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST

Date: March 17, 2010

By: /s/ Bruce Goldman
Bruce Goldman
Executive Vice President and General Counsel