

PREFERRED APARTMENT COMMUNITIES INC  
Form DEF 14A  
March 23, 2012

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

**SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o  
Check the appropriate box:

o Preliminary Proxy Statement  
 o **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**  
 x Definitive Proxy Statement  
 o Definitive Additional Materials  
 o Soliciting Material Pursuant to §240.14a-12

**PREFERRED APARTMENT COMMUNITIES, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.  
 o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.  
1. Title of each class of securities to which transaction applies:  
2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

Fee paid previously with preliminary materials.

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1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

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March 23, 2012

Dear Fellow Stockholders:

On behalf of the Board of Directors and management, I cordially invite you to attend the 2012 Annual Meeting of Stockholders (the Annual Meeting ) of Preferred Apartment Communities, Inc. The Annual Meeting will be held at 9:00 a.m. Eastern time on May 10, 2012 at our offices located at 3625 Cumberland Blvd., Suite 400, Atlanta, Georgia 30339. Details of the business to be presented at the Annual Meeting can be found in the accompanying Notice of 2012 Annual Meeting of Stockholders and Proxy Statement.

We are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to stockholders over the Internet. We believe that this e-proxy process expedites stockholders receipt of proxy materials, while setting a great precedent for our Company by keeping the costs down and reducing the environmental impact of our Annual Meeting. On approximately March 30, 2012, we will begin mailing a Notice of Internet Availability of Proxy Materials containing instructions on how to access our Proxy Statement and annual report and how to vote over the Internet or how to request and return a proxy card by mail. Stockholders who previously made a request to receive a paper copy of the proxy materials will be mailed the Proxy Statement, an annual report and proxy card.

**Whether or not you plan to attend the Annual Meeting, your vote is important and we encourage you to vote promptly.**

You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding all three methods of voting are contained in the Proxy Statement and on the proxy card.

On behalf of the Board of Directors, we thank you for your ongoing support and investment in our Company.

Sincerely,

John A. Williams  
Chairman and Chief Executive Officer



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**3625 Cumberland Blvd., Suite 400  
Atlanta, Georgia 30339**

**NOTICE OF 2012 ANNUAL MEETING OF  
STOCKHOLDERS**

TIME AND DATE	9:00 a.m. (Eastern time) on May 10, 2012
PLACE	3625 Cumberland Blvd., Suite 400 Atlanta, Georgia 30339
ITEMS OF BUSINESS	1) To elect seven directors to serve until the annual meeting of stockholders in 2013. 2) To conduct an advisory vote on executive compensation. 3) To conduct an advisory vote on the frequency of future advisory votes on executive compensation. 4) To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accountants for 2012. 5) To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.
RECORD DATE	In order to vote, you must have been a stockholder at the close of business on March 15, 2012.
ADMISSION TO THE MEETING	Only stockholders of the Company and its invited guests may attend the meeting. Proof of ownership of our common stock, along with personal identification (such as a driver's license or passport), must be presented in order to be admitted to the meeting. For further information on admission, please refer to the question entitled "What do I need to do to attend the meeting in person?" on page 2 of the Proxy Statement which follows this notice.
PROXY VOTING	We cordially invite you to attend the meeting, but regardless of whether you plan to be present, please vote in one of the following ways: 1) VISIT THE WEBSITE noted on your proxy card or the Notice of Internet

Availability of Proxy Materials to vote via the Internet;

2)

If you receive a printed copy of the proxy materials by mail, USE THE TOLL-FREE TELEPHONE NUMBER shown on your proxy card (this is a free call in the U.S.); or

3)

If you receive a printed copy of the proxy materials by mail, MARK, SIGN, DATE AND PROMPTLY RETURN your proxy card in the envelope provided, which requires no additional postage if mailed in the U.S.

Any proxy may be revoked by you at any time prior to its exercise at the meeting.

By Order of the Board of Directors,

Leonard A. Silverstein  
Executive Vice President, General Counsel and Secretary  
March 23, 2012

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3625 Cumberland Blvd., Suite 400  
Atlanta, Georgia 30339

2012 ANNUAL MEETING OF STOCKHOLDERS

## PROXY STATEMENT

Preferred Apartment Communities, Inc. ( we , our , us or the Company ) is furnishing this Proxy Statement in connection with our solicitation of proxies to be voted at our 2012 Annual Meeting of Stockholders (the Annual Meeting ). We will hold the Annual Meeting at our principal executive offices, located at 3625 Cumberland Boulevard, Suite 400, Atlanta, Georgia 30339, on Thursday, May 10, 2012 at 9:00 a.m. Eastern time, and any postponements or adjournments thereof. We are sending this Proxy Statement and the enclosed proxy card to our stockholders commencing on or about March 30, 2012.

## ABOUT THE PROXY STATEMENT

### What is the purpose of the Annual Meeting?

At the Annual Meeting, our stockholders will be asked to consider and act upon the following matters:

Election of seven directors nominated by our Board of Directors (the Board ) and listed in this Proxy Statement to serve until the annual meeting of stockholders in 2013;

An advisory vote on the compensation of our executive officers as disclosed in this Proxy Statement;

An advisory vote on the frequency of future advisory votes on the compensation of our executive officers;

Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2012; and

Such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

### **Why did I receive a Notice of Internet Availability of Proxy Materials in the mail instead of a printed set of proxy materials?**

Pursuant to rules adopted by the Securities and Exchange Commission ( SEC ), we are permitted to furnish our proxy materials over the Internet to our stockholders by delivering a Notice of Internet Availability of Proxy Materials in the mail. Unless requested, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice of

Internet Availability of Proxy Materials instructs you on how to access and review the Proxy Statement and 2011 Annual Report to Stockholders over the Internet at <http://www.edocumentview.com/APTS>. The Notice of Internet Availability of Proxy Materials also instructs you on how you may submit your proxy over the Internet, or how you can request a full set of proxy materials, including a proxy card to return by mail. If you received a Notice of Internet Availability of Proxy Materials in the mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting these materials provided in the Notice of Internet Availability of Proxy Materials.



## **Will our Manager be present at the Annual Meeting?**

Officers of Preferred Apartment Advisors, LLC, which we refer to as our Manager, will be present at the Annual Meeting.

## **Who is entitled to vote at the Annual Meeting?**

Only stockholders of record at the close of business on March 15, 2012, the record date for the Annual Meeting, are entitled to receive notice of and vote at the Annual Meeting.

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If you hold your shares through a bank, broker or other nominee and intend to vote in person at the Annual Meeting, you will need to provide a legal proxy from your bank, broker or other holder of record.

### **What are the voting rights of stockholders?**

Each share of our common stock ( Common Stock ) is entitled to one vote. There is no cumulative voting.

### **How many shares are outstanding?**

At the close of business on March 15, 2012, the record date for the Annual Meeting, 5,178,313 shares of Common Stock were outstanding, including 26,000 shares of unvested restricted Common Stock that are entitled to vote at the Meeting.

### **What constitutes a quorum?**

Stockholders entitled to cast at least a majority of the votes that all stockholders are entitled to be cast must be present at the Annual Meeting in person or by proxy to constitute a quorum for the transaction of business. Withheld votes, abstentions and broker non-votes count for purposes of determining whether a quorum is present.

### **What is the difference between a stockholder of record and a street name holder?**

These terms describe how your shares are held. If your shares are registered directly in your name with Computershare, our transfer agent, you are a stockholder of record. If your shares are held in the name of a brokerage, bank, trust or other nominee as a custodian, you are a street name holder.

### **How do I vote?**

If you are a registered stockholder, meaning that your shares are registered in your name, you have four voting options. You may vote:

over the Internet at the web address noted in the Notice of Internet Availability of Proxy Materials or proxy card you received (if you have access to the Internet, we encourage you to vote in this manner);

by telephone using the number noted on the proxy card you received (if you received a proxy card);

by signing and dating your proxy card (if you received a proxy card) and mailing it in the prepaid, preaddressed envelope enclosed therewith; or

by attending the Annual Meeting and voting in person.

Please carefully follow the directions in the Notice of Internet Availability of Proxy Materials or proxy card you received.

### **Can I vote my shares in person at the meeting?**

If you are a stockholder of record, you may vote your shares in person at the meeting. If you hold your shares in street name, you must obtain a proxy from your broker, bank, trustee or nominee, giving you the right to vote the shares at the meeting.

## **What do I need to do to attend the meeting in person?**

Proof of stock ownership and some form of government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the meeting. **Only stockholders who owned our Common Stock as of the close of business on March 15, 2012 are entitled to attend the meeting.**

If your shares are registered in your name and you owned our Common Stock as of the close of business on March 15, 2012, you only need to provide some form of government issued photo identification for admission.

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If your shares are held in a bank or brokerage account, contact your bank or broker to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your bank or broker, you will not be entitled to vote your shares, but you can still attend the meeting if you bring a recent bank or brokerage statement showing that you owned shares of our Common Stock on March 15, 2012.

**What does it mean if I receive more than one Notice of Internet Availability of Proxy Materials or proxy card?**

It means that you have multiple accounts with our transfer agent and/or with a broker, bank or other nominee. You will need to vote separately with respect to each Notice of Internet Availability of Proxy Materials or proxy card you received. Please vote all of the shares you own.

**Can I change my vote after I have mailed in my proxy card?**

You may revoke your proxy by doing one of the following:

By sending a written notice of revocation to our Secretary at 3625 Cumberland Boulevard, Suite 400, Atlanta, Georgia 30339 so it is received prior to the meeting, stating that you revoke your proxy;  
By signing a later-dated proxy card and submitting it so it is received prior to the meeting in accordance with the instructions included in the proxy card(s); or

By attending the meeting and voting your shares in person.

**How may I vote for each proposal?**

Proposal 1 You may vote *for* each individual nominee or *withhold* from each individual nominee.

Proposal 2 You may vote *for*, *against* or *abstain* on the advisory vote on executive compensation.

Proposal 3 You may indicate your preference for a vote on executive compensation every *one*, *two* or *three* years or abstain from voting.

Proposal 4 You may vote *for*, *against* or *abstain* from voting to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accountants for 2012.

**What are the Board's recommendations on how I should vote my shares?**

Proposal 1 *For* all of the nominees for election as director.

Proposal 2 *For* the advisory proposal on executive compensation.

Proposal 3 Chose *three years* for the frequency of future advisory votes on executive compensation.

Proposal 4 *For* the proposal to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accountants for 2012.

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**What vote is required to approve each item?**

Proposal Number	Subject	Vote Required	Impact of Abstentions and Broker Non-Votes, if any
1	Election of directors	Each director will be elected by a plurality of the votes cast. This means that the seven nominees receiving the greatest number of FOR votes will be elected as directors, even if the number of votes received is less than a majority of the votes present at the Annual Meeting.	Abstentions and broker non-votes will not count as votes cast on the proposal and will not affect the outcome of the vote.
2	Advisory vote on executive compensation	A majority of the votes cast.	Abstentions and broker non-votes will not count as votes cast on the proposal and will not affect the outcome of the vote.
3	Advisory vote on the frequency of future advisory votes on executive compensation	A majority of the votes cast.	Abstentions and broker non-votes will not count as votes cast on the proposal and will not affect the outcome of the vote.
4	Ratification of appointment of independent auditors	A majority of the votes cast.	Abstentions and broker non-votes will not count as votes cast on the proposal and will not affect the outcome of the vote.

None of the proposals, if approved, entitle stockholders to appraisal rights under Maryland law or our charter.

**What if I return my proxy card but do not provide voting instructions?**

If you return a signed proxy card but do not provide voting instructions, your shares will be voted as follows:

Proposal 1	<i>For</i> all of the nominees for election as director.
Proposal 2	<i>For</i> the advisory proposal on executive compensation.
Proposal 3	Chose <i>three years</i> for the frequency of future advisory votes on executive compensation.
Proposal 4	<i>For</i> the proposal to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accountants for 2012.

**Will the results of the advisory vote on executive compensation or the advisory vote on how frequently to conduct future advisory votes on executive compensation be binding on the Company or the Board?**

The outcome of the voting on these matters will be advisory only and will not bind or restrict the Board in any manner when the Board makes decisions on these subjects. The Board could, if it concluded it were in our best interest to do

so, choose not to follow or implement the stockholders' advice on either or both matters.

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### **What happens if additional matters are presented at the annual meeting?**

We know of no other matters other than the items of business described in this Proxy Statement that can be considered at the meeting. If other matters requiring a vote do arise, the persons named as proxies will have the discretion to vote on those matters for you.

### **Is a list of stockholders available?**

The names of stockholders of record entitled to vote at the Annual Meeting will be available to stockholders entitled to vote at this meeting for ten days prior to the Annual Meeting for any purpose relevant to the Annual Meeting. This list can be viewed between the hours of 9:00 a.m. and 5:00 p.m. at our principal executive offices at 3625 Cumberland Boulevard, Suite 400, Atlanta, Georgia 30339. Please contact our Secretary to make arrangements.

### **Who will count the votes?**

A representative of Computershare, our transfer agent, will act as the inspector of election and will tabulate votes.

### **Who pays the cost of this proxy solicitation?**

We will pay the cost of preparing, assembling and mailing the proxy materials. We will also request banks, brokers and other holders of record to send the proxy materials to, and obtain proxies from, beneficial owners and will reimburse them for their reasonable expenses in doing so. As of the date of this Proxy Statement, we have not hired anyone to assist in the solicitation of proxies.

### **How do I submit a stockholder proposal for next year's annual meeting or proxy materials, and what is the deadline for submitting a proposal?**

In order for a stockholder proposal to be properly submitted for presentation at our 2013 annual meeting and included in the proxy material for next year's annual meeting, we must receive written notice of the proposal at our executive offices during the period beginning on October 24, 2012 and ending at 5:00 p.m., Eastern time, on November 23, 2012. All proposals must contain the information specified in, and otherwise comply with, our bylaws. Proposals should be sent via registered, certified or express mail to: 3625 Cumberland Boulevard, Suite 400, Atlanta, Georgia 30339, Attention: Leonard A. Silverstein, Executive Vice President, General Counsel and Secretary.

### **Other Information**

Our Annual Report to Stockholders for the year ended December 31, 2011, which includes our Annual Report on Form 10-K for the year ended December 31, 2011, is available at [www.edocumentview.com/APTS](http://www.edocumentview.com/APTS), and if you received a printed copy of this Proxy Statement, accompanies this Proxy Statement. However, the Annual Report forms no part of the material for the solicitation of proxies.

This report may also be accessed through our website at [www.pacapts.com](http://www.pacapts.com) by clicking on the Investors link, followed by the SEC Filings link. In addition, our Annual Report on Form 10-K for the year ended December 31, 2011, is available on our website and from the SEC's website at [www.sec.gov](http://www.sec.gov). At the written request of any stockholder who owns our Common Stock as of the close of business on the record date, we will provide, without charge, paper copies of our Annual Report on Form 10-K, including the financial statements and financial statement schedule, as filed with

the SEC, except exhibits thereto. If requested by eligible stockholders, we will provide copies of the exhibits for a reasonable fee. You can request copies of our Annual Report on Form 10-K by following the instructions on the Notice of Internet Availability of Proxy Materials or by mailing a written request to: