

ARDEN REALTY INC
Form DEFM14A
March 16, 2006
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 (Amendment No.)

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

Arden Realty, Inc.
(Name of Registrant as Specified In Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- o No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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:
- x Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

ARDEN REALTY, INC.
11601 Wilshire Boulevard
Fourth Floor
Los Angeles, CA 90025

March 16, 2006

Dear Common Stockholder:

You are cordially invited to attend a special meeting of stockholders of Arden Realty, Inc., a Maryland corporation, to be held on Friday, April 28, 2006, at 10:00 a.m., local time, at the Luxe Hotel Sunset Boulevard, located at 11461 Sunset Boulevard, Los Angeles, California 90049.

On December 21, 2005, Arden Realty, Inc. and Arden Realty Limited Partnership entered into a merger agreement with General Electric Capital Corporation, Trizec Properties, Inc., Trizec Holdings Operating LLC, Atlas Merger Sub, Inc. and Atlas Partnership Merger Sub, Inc., pursuant to which, among other things, Arden Realty, Inc. agreed to merge with and into Atlas Merger Sub, Inc. Upon completion of the merger, our common stockholders will receive cash consideration of \$45.25 for each share of common stock, plus an amount equal to the prorated portion of the normal quarterly dividend payable on our common stock up to the closing date without interest and less any required withholding for taxes. On March 15, 2006, the last trading day prior to the printing of the proxy statement that accompanies this letter, the closing price of our common stock on the New York Stock Exchange was \$45.51 per share. At the special meeting of stockholders, we will ask you to consider and vote on the approval of the merger agreement and the merger.

After careful consideration, our board of directors unanimously approved the merger agreement and the merger and determined that the merger is advisable, fair to and in the best interests of our company and our common stockholders. **Our board of directors unanimously recommends that you vote FOR the proposal to approve the merger agreement and the merger.**

Your vote is important. The merger agreement and the merger must be approved by the affirmative vote of holders of at least two-thirds of the outstanding shares of our common stock that are entitled to vote at the special meeting. The completion of the merger is also subject to the satisfaction or waiver of customary closing conditions. More information about the merger is contained in the accompanying proxy statement. We encourage you to read the accompanying proxy statement in its entirety, because it describes the terms of the proposed merger, the documents related to the merger and related transactions and provides specific information about the special meeting.

Whether or not you plan to attend the special meeting, please complete, sign, date and promptly return the proxy card in the enclosed prepaid return envelope, or, if you would prefer, follow the instructions on your proxy card for telephonic or internet proxy authorization, as soon as possible. If your shares are held in an account at a brokerage firm or bank or by another nominee, you should instruct your broker, bank or other nominee how to vote by following the voting instruction form furnished by your broker, bank or other nominee. **If you do not vote or do not instruct your broker, bank or other nominee how to vote, it will have the same effect as voting against the approval of the merger agreement and the merger.**

If you sign, date and send us your proxy but do not indicate how you want to vote, your proxy will be voted FOR the approval of the merger agreement and the merger.

On behalf of our board of directors, we thank you for your continued support of our company and urge you to vote for the approval of the merger agreement and the merger.

Sincerely,

Richard S. Ziman
*Chairman of the Board and
Chief Executive Officer*

This proxy statement is dated March 16, 2006 and is first being mailed to common stockholders on or about March 20, 2006.

ARDEN REALTY, INC.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be held April 28, 2006

To the Common Stockholders of Arden Realty, Inc.:

A special meeting of the stockholders of Arden Realty, Inc., a Maryland corporation, will be held on Friday, April 28, 2006, at 10:00 a.m., local time, at the Luxe Hotel Sunset Boulevard, located at 11461 Sunset Boulevard, Los Angeles, California 90049, for the following purposes:

1. to consider and vote on a proposal to approve the Agreement and Plan of Merger, dated as of December 21, 2005, by and among Arden Realty, Inc., Arden Realty Limited Partnership, General Electric Capital Corporation, Trizec Properties, Inc., Trizec Holdings Operating LLC, Atlas Merger Sub, Inc. and Atlas Partnership Merger Sub, Inc. and the merger of Arden Realty, Inc. with and into Atlas Merger Sub, Inc. pursuant thereto;
2. to consider and vote on a proposal to approve any adjournments or postponements of the special meeting for the purpose of soliciting additional proxies; and
3. to transact any other business that may properly come before the special meeting or any adjournments or postponements of the special meeting.

Only our common stockholders of record at the close of business on February 24, 2006, the record date for the special meeting, may vote at the special meeting and any adjournments or postponements of the special meeting. If your shares are held in an account at a brokerage firm or bank or by another nominee, you should instruct your broker, bank or other nominee how to vote by following the voting instruction form furnished by your broker, bank or other nominee. **Your vote is very important. Please submit your proxy or voting instructions as soon as possible to make sure that your shares are represented and voted at the special meeting, whether or not you plan to attend the special meeting.**

You may revoke your proxy at any time before it is voted. If you are the record holder of your shares of our common stock, you may revoke the proxy: (a) by filing with our corporate secretary a duly executed revocation of proxy prior to the special meeting; (b) by submitting a duly executed proxy with a later date than the proxy you are revoking to our corporate secretary prior to the special meeting; or (c) by appearing at the special meeting and voting in person. Attendance at the special meeting without voting will not itself revoke a proxy. If your shares are held in an account at a brokerage firm, bank or other nominee, you must contact your broker, bank or nominee to revoke your proxy.

Edgar Filing: ARDEN REALTY INC - Form DEFM14A

For more information about the special meeting, the proposed merger and the other transactions contemplated by the merger agreement, please review the accompanying proxy statement and the merger agreement attached to it as Annex A. If you have any questions or need special assistance, please call our proxy solicitor, MacKenzie Partners, Inc., at (800) 322-2885.

By Order of the Board of Directors,

David A. Swartz
General Counsel and Secretary

March 16, 2006
Los Angeles, California

ARDEN REALTY, INC.

11601 Wilshire Boulevard

Fourth Floor

Los Angeles, CA 90025

PROXY STATEMENT

TABLE OF CONTENTS

<u>SUMMARY</u>	
<u>The Parties</u>	1
<u>The Merger and Related Transactions</u>	2
<u>Merger Consideration</u>	4
<u>Dividends</u>	4
<u>Treatment of Common Units</u>	4
<u>Recommendation of Our Board of Directors</u>	5
<u>The Special Meeting</u>	5
<u>Merger Vote Requirement; Stockholders Entitled to Vote; Vote Required; Quorum</u>	5
<u>Partnership Merger Vote Requirement</u>	6
<u>Opinions of Our Financial Advisors</u>	6
<u>Interests of Our Directors and Executive Officers in the Merger</u>	7
<u>The Merger Agreement</u>	8
<u>Voting Agreement</u>	9
<u>Regulatory Matters</u>	9
<u>Dissenters' Rights</u>	10
<u>Litigation Relating to the Merger</u>	10
<u>Material United States Federal Income Tax Consequences</u>	10
<u>Delisting and Deregistration of Our Common Stock</u>	10
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	11
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	16
<u>THE SPECIAL MEETING</u>	17
<u>Date, Time and Place</u>	17
<u>Purpose of the Special Meeting</u>	17
<u>Recommendation of Our Board of Directors</u>	17
<u>Record Date; Stockholders Entitled to Vote; Quorum</u>	17
<u>Vote Required for Approval of the Merger Agreement and the Merger</u>	17
<u>Vote Required to Adjourn or Postpone the Special Meeting</u>	18
<u>Vote Required for Approval of the Partnership Merger</u>	18
<u>Voting; Proxies</u>	18
<u>Adjournments; Other Business</u>	18
<u>Revocation of Proxies</u>	19
<u>Solicitation of Proxies</u>	19
<u>Dissenters' Rights</u>	19
<u>Assistance</u>	19
<u>PROPOSAL 1: THE MERGER AGREEMENT AND THE MERGER</u>	20
<u>APPROVAL OF THE MERGER AGREEMENT AND THE MERGER</u>	20
<u>General Description of the Merger</u>	20
<u>Background of the Merger</u>	21
<u>Factors Considered by Our Board of Directors and Reasons for the Merger</u>	34
<u>Recommendation of Our Board of Directors</u>	38
<u>Opinions of Our Financial Advisors</u>	38
<u>Interests of Our Directors and Executive Officers in the Merger</u>	51
<u>Voting Agreement</u>	57
<u>Regulatory Matters</u>	57
<u>Dissenters' Rights</u>	58
<u>Litigation Relating to the Merger</u>	58
<u>Material United States Federal Income Tax Consequences</u>	59

<u>Delisting and Deregistration of Our Common Stock</u>	62
<u>THE MERGER AGREEMENT</u>	63
<u>The Merger and Related Transactions</u>	63
<u>Merger Consideration</u>	64
<u>Dividends</u>	65
<u>Treatment of Common Units</u>	65
<u>Payment Procedures</u>	66
<u>Representations and Warranties</u>	67
<u>Conduct of Business Pending the Merger</u>	69
<u>Other Covenants</u>	70
<u>Conditions to the Merger</u>	71
<u>Definition of Material Adverse Effect</u>	72
<u>No Solicitation</u>	73
<u>Termination of the Merger Agreement</u>	74
<u>Termination Fee and Expenses</u>	75
<u>Amendment of the Merger Agreement</u>	76
<u>Stockholder Meeting</u>	76
<u>Indemnification; Directors and Officers Insurance</u>	76
<u>Employment Benefit Arrangements</u>	76
<u>PROPOSAL 2: POSTPONEMENTS OR ADJOURNMENTS OF THE SPECIAL MEETING</u>	77
<u>The Adjournment or Postponement Proposal</u>	77
<u>Vote Required and Recommendation of Our Board of Directors</u>	77
<u>SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	78
<u>OTHER MATTERS</u>	81
<u>STOCKHOLDER PROPOSALS</u>	81
<u>PROXY SOLICITATION EXPENSE</u>	81
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	81
<u>Annex A Agreement and Plan of Merger</u>	
<u>Annex B Opinion of Wachovia Capital Markets, LLC</u>	
<u>Annex C Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc.</u>	

SUMMARY

This summary highlights selected information from this proxy statement and may not contain all the information about the merger that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should carefully read this proxy statement in its entirety, including the annexes and the other documents to which we have referred you, including the merger agreement attached as Annex A.

The Parties

Arden Realty, Inc.

Arden Realty, Inc. (referred to in this proxy statement as *we*, *us*, *our* or *our company*), a Maryland corporation, is a self-administered, self-managed real estate investment trust (REIT). Our primary strategy is to own, manage, lease, develop, renovate and acquire commercial office properties located in Southern California. Additional information about us is available on our website at <http://www.ardenrealty.com>. The information contained on our website is not incorporated into, and does not form a part of, this proxy statement or any other report or document on file with or furnished to the Securities and Exchange Commission (the SEC). Shares of our common stock are listed on the New York Stock Exchange (the NYSE), under the symbol ARI. Our principal executive offices are located at 11601 Wilshire Boulevard, Fourth Floor, Los Angeles, California 90025, and our telephone number is (310) 966-2600. For additional information about us and our business, see *Where You Can Find More Information* on page 76.

Arden Realty Limited Partnership

Arden Realty Limited Partnership (our *operating partnership*) is a Maryland limited partnership through which we conduct substantially all of our business and own, either directly or indirectly through subsidiaries, substantially all of our assets. Where the context requires, references to *we*, *us*, *our* or *our company* also include our operating partnership. Arden Realty Limited Partnership's principal executive offices are also located at 11601 Wilshire Boulevard, Fourth Floor, Los Angeles, California 90025, and its telephone number is (310) 966-2600.

Atlas Partnership Merger Sub, Inc.

Atlas Partnership Merger Sub, Inc. (*Partnership Merger Sub*) is a Maryland corporation and a wholly owned subsidiary of our company. Partnership Merger Sub was formed in 2005 solely for the purpose of merging with and into our operating partnership. Partnership Merger Sub has not carried on any activities to date other than those incident to its formation and the negotiation and execution of the merger agreement. Partnership Merger Sub's principal executive offices are located at 11601 Wilshire Boulevard, Fourth Floor, Los Angeles, California 90025, and its telephone number is (310) 966-2600.

General Electric Capital Corporation

General Electric Capital Corporation (GECC) was incorporated in 1943 in the State of New York under the provisions of the New York Banking Law relating to investment companies. On July 2, 2001, GECC reincorporated and changed its domicile from New York to Delaware. All outstanding common stock of GECC is owned by General Electric Capital Services, Inc., the common stock of