

Pebblebrook Hotel Trust  
Form 424B3  
October 29, 2018

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[INDEX TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION](#)

[TABLE OF CONTENTS](#)

[Table of Contents](#)

**Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-227405**

### **JOINT PROXY STATEMENT/PROSPECTUS**

To the shareholders of Pebblebrook Hotel Trust and the shareholders of LaSalle Hotel Properties:

Each of the Board of Trustees of Pebblebrook Hotel Trust and the Board of Trustees of LaSalle Hotel Properties has approved an Agreement and Plan of Merger, dated as of September 6, 2018, as amended on September 18, 2018, and as it may be amended from time to time, which we refer to as the merger agreement, by and among Pebblebrook Hotel Trust, a Maryland real estate investment trust, which we refer to as Pebblebrook; Pebblebrook Hotel, L.P., a Delaware limited partnership, which we refer to as Pebblebrook OP; Ping Merger Sub, LLC, a Maryland limited liability company, which we refer to as Merger Sub; Ping Merger OP, LP, a Delaware limited partnership, which we refer to as Merger OP and, collectively with Pebblebrook, Pebblebrook OP and Merger Sub, the Pebblebrook parties; LaSalle Hotel Properties, a Maryland real estate investment trust, which we refer to as LaSalle; and LaSalle Hotel Operating Partnership, L.P., a Delaware limited partnership, which we refer to as LaSalle OP and, together with LaSalle, the LaSalle parties. Pursuant to the merger agreement, Pebblebrook and LaSalle will combine through (i) a merger of LaSalle with and into Merger Sub, with Merger Sub surviving the merger, which we refer to as the company merger, and (ii) a merger of Merger OP with and into LaSalle OP, with LaSalle OP surviving the merger as the surviving partnership, which we refer to as the partnership merger, and together with the company merger, the mergers. The combined company after the mergers, which we refer to as the combined company, will retain the name "Pebblebrook Hotel Trust" and its common shares will continue to trade on the New York Stock Exchange, or the NYSE, under the symbol "PEB". The obligations of Pebblebrook and LaSalle to complete the mergers are subject to the satisfaction or waiver of certain customary conditions (including the applicable approvals of each company's shareholders), which are set forth in the merger agreement.

If the company merger is completed pursuant to the merger agreement, (i) each of the common shares of beneficial interest, \$.01 par value per share, of LaSalle, which we refer to as LaSalle common shares, outstanding immediately prior to the effective time of the company merger, will convert into the right to receive, at the election of the holder (a) 0.92 common shares of beneficial interest, \$.01 par value per share, of Pebblebrook, which we refer to as Pebblebrook common shares, which we refer to as the share consideration, or (b) \$37.80 in cash, which we refer to as the cash consideration and, together with the share consideration, the merger consideration; (ii) each 6.375% Series I Cumulative Redeemable Preferred Share of Beneficial Interest, \$.01 par value per share, of LaSalle, which we refer to as LaSalle Series I preferred shares, will convert into the right to receive one share of a newly designated class of preferred shares of Pebblebrook, the 6.375% Series E Cumulative Redeemable Preferred Shares of Beneficial Interest, \$.01 par value per share, which we refer to as the Pebblebrook Series E preferred shares, with the same rights, privileges and preferences as the LaSalle Series I preferred shares; and (iii) each 6.3% Series J Cumulative Redeemable Preferred Share of Beneficial Interest, \$.01 par value per share, of LaSalle, which we refer to as LaSalle Series J preferred shares, will convert into the right to receive one share of a newly designated class of preferred shares of Pebblebrook, the 6.3% Series F Cumulative Redeemable Preferred Shares of Beneficial Interest, \$.01 par value per share, which we refer to as the Pebblebrook Series F preferred shares, with the same rights, privileges and preferences as the LaSalle Series J preferred shares. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration will be equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the company merger. LaSalle common shares held by Pebblebrook will be cancelled at the effective time of the company merger and are not eligible to be converted into the right to receive the cash consideration, effectively increasing the maximum number of LaSalle common shares that could receive the cash election price to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the effective time of the company merger.

If the partnership merger is completed pursuant to the merger agreement, each common unit of LaSalle OP outstanding immediately prior to the effective time of the partnership merger will be converted into the right to receive 0.92 common units of Pebblebrook OP, or, in the alternative, each limited partner (excluding LaSalle and its affiliates) holding such LaSalle OP common units may elect to redeem such units and receive the share consideration in exchange for each common unit.

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

In connection with the mergers, we anticipate that Pebblebrook will issue a total of approximately 92,458,617 Pebblebrook common shares, including (i) 92,325,012 Pebblebrook common shares in exchange for the LaSalle common shares in the company merger, which assumes that no LaSalle shareholder elects to receive the cash consideration, and (ii) 133,605 Pebblebrook common shares if all of the limited partners of LaSalle OP (excluding LaSalle and its affiliates) elect to receive Pebblebrook common shares instead of Pebblebrook OP common units in connection with the partnership merger. Upon completion of the mergers, we estimate that continuing Pebblebrook shareholders will own approximately 42.7% of the issued and outstanding common shares of the combined company and that former LaSalle security holders will own approximately 57.3% of the issued and outstanding common shares of the combined company, assuming that no LaSalle shareholders elect to receive the cash consideration and assuming all of the limited partners of LaSalle OP (excluding LaSalle and its affiliates) elect to receive Pebblebrook common shares instead of Pebblebrook OP common units. However, if LaSalle shareholders elect to receive the maximum cash consideration, we estimate that continuing Pebblebrook shareholders will own approximately 52.8% of the issued and outstanding common shares of the combined company and that former LaSalle security holders will own approximately 47.2% of the issued and outstanding common shares of the combined company.

In connection with the proposed mergers, Pebblebrook and LaSalle will each hold a special meeting of its shareholders. At the special meeting of Pebblebrook shareholders, which we refer to as the Pebblebrook special meeting, Pebblebrook shareholders will be asked to vote on (i) a proposal to approve the issuance of Pebblebrook common shares to LaSalle shareholders pursuant to the merger agreement and (ii) a proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers. At the special meeting of the LaSalle shareholders, which we refer to as the LaSalle special meeting, LaSalle shareholders will be asked to vote on (i) a proposal to approve the company merger and the other transactions contemplated by the merger agreement, (ii) an advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of LaSalle in connection with the mergers and (iii) a proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

The record date for determining the shareholders entitled to receive notice of, and to vote at, the Pebblebrook special meeting and the LaSalle special meeting is October 23, 2018. The mergers cannot be completed unless, among other matters, (i) LaSalle shareholders approve the company merger and the other transactions contemplated by the merger agreement by the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding LaSalle common shares as of the record date and (ii) Pebblebrook shareholders approve the issuance of Pebblebrook common shares in connection with the mergers by the affirmative vote of the holders of a majority of all votes cast on such proposal.

Pebblebrook's Board of Trustees, which we refer to as the Pebblebrook Board, has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the issuance of Pebblebrook common shares pursuant to the merger agreement, are advisable and in the best interests of Pebblebrook and its shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement. **The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote "FOR" the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers and "FOR" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers.**

LaSalle's Board of Trustees, which we refer to as the LaSalle Board, by a unanimous vote of all the trustees present (with only Stuart L. Scott not in attendance due to his hospitalization) (i) determined that the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle and its shareholders, (ii) authorized and approved each of the mergers and the other transactions contemplated by the merger agreement and (iii) approved and adopted the merger agreement. **The LaSalle Board recommends that LaSalle shareholders vote "FOR" the proposal to approve the company merger and the other transactions contemplated by the merger agreement, "FOR" the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of LaSalle in connection with the mergers and "FOR" the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.**

This joint proxy statement/prospectus contains important information about Pebblebrook, LaSalle, the mergers, the merger agreement and the special meetings. This document is also a prospectus relating to the Pebblebrook common shares, the Pebblebrook Series E preferred shares and the Pebblebrook Series F preferred shares that will be issued to LaSalle shareholders pursuant to the merger agreement. **We encourage you to read this joint proxy statement/prospectus carefully before voting, including the section entitled "Risk Factors" beginning on page 50.**

Your vote is very important, regardless of the number of Pebblebrook common shares and/or LaSalle common shares you own. Whether or not you plan to attend the Pebblebrook special meeting or the LaSalle special meeting, as applicable, please submit a proxy to vote your shares as promptly as possible to make sure that your Pebblebrook common shares and/or LaSalle common shares, as applicable, are represented at the applicable special meeting. Please review this joint proxy statement/prospectus for more complete information regarding the mergers, the Pebblebrook special meeting and the LaSalle special meeting.

Sincerely,

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

Jon E. Bortz

*Chairman, President and Chief Executive Officer*

Pebblebrook Hotel Trust

Michael D. Barnello

*President and Chief Executive Officer*

LaSalle Hotel Properties

Neither the Securities and Exchange Commission, nor any state securities regulatory authority has approved or disapproved of the mergers or the securities to be issued under this joint proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated October 29, 2018, and is first being mailed to Pebblebrook shareholders and LaSalle shareholders on or about October 29, 2018.

---

Table of Contents

**Pebblebrook Hotel Trust**

7315 Wisconsin Avenue, Suite 1100 West  
Bethesda, Maryland 20814  
(240) 507-1300

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON NOVEMBER 27, 2018**

To the shareholders of Pebblebrook Hotel Trust:

A special meeting of the shareholders of Pebblebrook Hotel Trust, a Maryland real estate investment trust, which we refer to as Pebblebrook, will be held on November 27, 2018, beginning at 9:00 a.m., Eastern Time, at the offices of Hunton Andrews Kurth LLP, 2200 Pennsylvania Avenue NW, Washington, DC 20037, for the following purposes:

1. To consider and vote on a proposal to approve the issuance of Pebblebrook common shares to the holders of common shares of LaSalle Hotel Properties, a Maryland real estate investment trust, which we refer to as LaSalle and certain holders of common units of LaSalle Hotel Operating Partnership, L.P., which we refer to as LaSalle OP, pursuant to the Agreement and Plan of Merger, dated as of September 6, 2018, as amended on September 18, 2018, and as it may be amended from time to time, which we refer to as the merger agreement, by and among Pebblebrook, Pebblebrook Hotel, L.P., Ping Merger Sub, LLC, Ping Merger OP, LP, LaSalle and LaSalle OP (a copy of the merger agreement is attached as Annex A to the joint proxy statement/prospectus accompanying this notice); and
2. To consider and vote on a proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

Pebblebrook does not expect to transact any other business at the Pebblebrook special meeting or any adjournment or postponement thereof. Please refer to the attached joint proxy statement/prospectus for further information with respect to the business to be transacted at the Pebblebrook special meeting. Pebblebrook's Board of Trustees, which we refer to as the Pebblebrook Board, has fixed the close of business on October 23, 2018 as the record date for determination of Pebblebrook shareholders entitled to receive notice of, and to vote at, the Pebblebrook special meeting and any adjournment thereof. Only holders of record of Pebblebrook common shares as of the close of business on the record date are entitled to receive notice of, and to vote at, the Pebblebrook special meeting.

Approval of each of the proposals to be considered at the Pebblebrook special meeting requires the affirmative vote of at least a majority of all votes cast by the holders of outstanding Pebblebrook common shares entitled to vote on each proposal. If you do not vote on the proposals this will have no effect on the result of the votes on such proposals. **The company merger cannot be completed without the approval by Pebblebrook shareholders of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.**

The Pebblebrook Board has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of Pebblebrook and its shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement.

---

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

**The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote "FOR" the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and "FOR" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.**

### **YOUR VOTE IS IMPORTANT**

Whether or not you plan to attend the Pebblebrook special meeting, please submit a proxy to vote your Pebblebrook common shares as promptly as possible to make sure that your Pebblebrook common shares are represented at the Pebblebrook special meeting. If Pebblebrook shareholders of record return properly executed proxies but do not indicate how their Pebblebrook common shares should be voted on a proposal, the Pebblebrook common shares represented by such properly executed proxy will be voted as the Pebblebrook Board recommends and, therefore, **"FOR"** the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and **"FOR"** the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement. Even if you plan to attend the Pebblebrook special meeting in person, we urge you to submit your proxy as promptly as possible by (1) accessing the website specified on your proxy card, (2) calling the toll-free number specified on your proxy card or (3) completing, signing, dating and returning the enclosed proxy card in the accompanying postage-paid envelope prior to the Pebblebrook special meeting to ensure that your Pebblebrook common shares will be represented and voted at the Pebblebrook special meeting.

To submit a proxy, complete, sign, date and mail your proxy card in the postage-paid envelope provided or, if the option is available to you, call the toll-free telephone number listed on your proxy card or use the Internet as described in the instructions on the accompanying proxy card to submit your proxy. Submitting a proxy will assure that your vote is counted at the Pebblebrook special meeting if you do not attend in person. If your Pebblebrook common shares are held in "street name" by your broker or other nominee, only your broker or other nominee can vote your Pebblebrook common shares, but the vote cannot be cast unless (1) you provide instructions to your broker or other nominee on how to vote or (2) you obtain a legal proxy from your broker or other nominee. You should follow the directions provided by your broker or other nominee regarding how to instruct your broker or other nominee to vote your Pebblebrook common shares. You may revoke your proxy at any time before it is voted. Please review the joint proxy statement/prospectus accompanying this notice for more complete information regarding the mergers and the Pebblebrook special meeting.

This notice and the enclosed joint proxy statement/prospectus are first being mailed to Pebblebrook shareholders on or about October 29, 2018. If you have any questions or need assistance in submitting a proxy or your voting instructions, please call Pebblebrook's proxy solicitor, Okapi Partners LLC, toll-free at (855) 305-0855.

By Order of the Board of Trustees of  
Pebblebrook Hotel Trust

Raymond D. Martz  
*Executive Vice President, Chief Financial  
Officer, Treasurer and Secretary*

Bethesda, Maryland  
October 29, 2018

---

Table of Contents

## LaSalle Hotel Properties

7550 Wisconsin Avenue, 10<sup>th</sup> Floor  
Bethesda, Maryland 20814  
(301) 941-1500

### NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 27, 2018

To the shareholders of LaSalle Hotel Properties:

Holders of common shares of beneficial interest of LaSalle Hotel Properties, a Maryland real estate investment trust, which we refer to as LaSalle, are cordially invited to attend a special meeting of shareholders of LaSalle to be held on November 27, 2018 at 10:00 a.m., Eastern Time, at the Sofitel Washington DC Lafayette Square, 806 15<sup>th</sup> Street NW, Washington, DC 20005. The LaSalle special meeting is being held for the purpose of acting on the following matters:

1. To consider and vote on a proposal to approve the merger of LaSalle with and into Ping Merger Sub, LLC, which we refer to as the company merger, and the other transactions contemplated by the Agreement and Plan of Merger, dated as of September 6, 2018, as amended on September 18, 2018, and as it may be amended from time to time, which we refer to as the merger agreement, by and among Pebblebrook Hotel Trust, Pebblebrook Hotel, L.P., Ping Merger Sub, LLC, Ping Merger OP, LP, LaSalle and LaSalle Hotel Operating Partnership, L.P., which we refer to as the merger proposal;
2. To consider and vote on a proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to LaSalle's named executive officers that is based on or otherwise relates to the company merger, which we refer to as the LaSalle advisory (non-binding) proposal on specified compensation; and
3. To consider and vote on a proposal to approve any adjournment of the LaSalle special meeting for the purpose of soliciting additional proxies if there are not sufficient votes at the LaSalle special meeting to approve the company merger and the other transactions contemplated by the merger agreement, which we refer to as the LaSalle adjournment proposal.

The foregoing items of business are more fully described in the attached joint proxy statement/prospectus, which forms a part of this notice and is incorporated herein by reference. Pursuant to LaSalle's bylaws, no business may be transacted at the LaSalle special meeting except as specifically designated in this Notice of Special Meeting. The board of trustees of LaSalle, which we refer to as the LaSalle Board, has fixed the close of business on October 23, 2018 as the record date for the determination of LaSalle shareholders entitled to notice of and to vote at the LaSalle special meeting or any postponement or adjournment thereof.

**The LaSalle Board has (1) approved the merger agreement, the company merger and the other transactions contemplated by the merger agreement, (2) determined and declared that the merger agreement, the company merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle, its shareholders and the limited partners of LaSalle Hotel Operating Partnership, L.P. and (3) resolved to recommend that the LaSalle shareholders approve the company merger and the other transactions contemplated by the merger agreement. The LaSalle Board recommends that you vote "FOR" the merger proposal, "FOR" the LaSalle advisory (non-binding) proposal on specified compensation and "FOR" the LaSalle adjournment proposal.**

---

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

All holders of record of LaSalle common shares and LaSalle preferred shares as of the record date, which was the close of business on October 23, 2018, are entitled to receive notice of the LaSalle special meeting or any postponement or adjournment of the LaSalle special meeting. However, only holders of LaSalle common shares as of the record date are entitled to attend and to vote at the LaSalle special meeting or any postponement or adjournment of the LaSalle special meeting. Holders of LaSalle preferred shares are entitled to notice of the LaSalle special meeting, but are not entitled to attend or to vote at the LaSalle special meeting, and no vote or proxy is being solicited from the holders of LaSalle preferred shares.

### YOUR VOTE IS IMPORTANT

The merger and the other transactions contemplated by the merger agreement must be approved by the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of LaSalle's outstanding common shares as of the record date for the LaSalle special meeting. **Accordingly, your vote is very important regardless of the number of LaSalle common shares that you own.** Whether or not you plan to attend the LaSalle special meeting, LaSalle requests that you authorize your proxy to vote your LaSalle common shares by either marking, signing, dating and promptly returning the enclosed LaSalle proxy card in the postage-paid envelope or authorizing your proxy or voting instructions by telephone or through the Internet. If you attend the LaSalle special meeting, you may continue to have your LaSalle common shares voted as instructed in the proxy, or you may withdraw your proxy at the LaSalle special meeting and vote your LaSalle common shares in person. **If you fail to vote by proxy or in person, or fail to instruct your broker or other nominee on how to vote, the effect will be that your LaSalle common shares will not be counted for purposes of determining whether a quorum is present at the LaSalle special meeting and will have the same effect as a vote "AGAINST" the merger proposal.**

The approval of the LaSalle advisory (non-binding) proposal on specified compensation and the approval of the LaSalle adjournment proposal each requires the affirmative vote of a majority of the votes cast on the proposal. If you fail to vote by proxy or in person, or fail to instruct your broker or other nominee on how to vote, such failure will have no effect on the outcome of such proposals. Abstentions are not considered votes cast and therefore will have no effect on the outcome of such proposals.

Any proxy may be revoked at any time prior to its exercise by delivery of a properly executed, later-dated LaSalle proxy card, by authorizing your proxy or voting instructions by telephone or through the Internet at a later date than your previously authorized proxy, by submitting a written revocation of your proxy to LaSalle's Corporate Secretary, or by voting in person at the LaSalle special meeting. Attendance alone will not be sufficient to revoke a previously authorized proxy.

Under Maryland law, because LaSalle common shares were listed on the New York Stock Exchange at the close of business on the record date, you do not have any appraisal rights, dissenters' rights or the rights of an objecting shareholder in connection with the company merger. In addition, LaSalle common shareholders may not exercise any appraisal rights, dissenters' rights or the rights of an objecting shareholder to receive the fair value of the shareholder's LaSalle common shares in connection with the merger because, as permitted by Maryland law, LaSalle's declaration of trust provides that LaSalle shareholders are not entitled to exercise such rights unless expressly required by the Maryland REIT Law.

LaSalle encourages you to read the accompanying joint proxy statement/prospectus carefully and in its entirety and to submit a proxy or voting instructions so that your LaSalle common shares will be represented and voted even if you do not attend the LaSalle special meeting. If you have any questions or need assistance in submitting a proxy or your voting instructions, please call LaSalle's proxy solicitor, MacKenzie Partners, Inc., toll-free at (800) 322-2885.

By Order of the Board of Trustees of  
LaSalle Hotel Properties

Michael D. Barnello  
*President and Chief Executive Officer*

Bethesda, Maryland  
October 29, 2018

Table of Contents

**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about Pebblebrook and LaSalle from other documents that are not included in or delivered with this joint proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 252.

**Documents incorporated by reference into this joint proxy statement/prospectus are also available to Pebblebrook shareholders and LaSalle shareholders without charge upon written or oral request. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:**

Pebblebrook Hotel Trust  
7315 Wisconsin Avenue, Suite 1100 West  
Bethesda, Maryland 20814  
Attention: Investor Relations  
(240) 507-1300  
www.pebblebrookhotels.com

LaSalle Hotel Properties  
7550 Wisconsin Avenue, 10<sup>th</sup> Floor  
Bethesda, Maryland 20814  
Attention: Investor Relations  
(301) 941-1500  
www.lasallehotels.com

**To receive timely delivery of the requested documents in advance of the special meetings, you should make your request before November 20, 2018.**

**ABOUT THIS DOCUMENT**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by Pebblebrook (File No. 333-227405) with the United States Securities and Exchange Commission, which we refer to as the SEC, constitutes a prospectus of Pebblebrook for purposes of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the Pebblebrook common shares, Pebblebrook Series E preferred shares and Pebblebrook Series F preferred shares to be issued to LaSalle shareholders in exchange for LaSalle common shares, LaSalle Series I preferred shares and LaSalle Series J preferred shares as well as any limited partner of LaSalle OP who elects to receive Pebblebrook common shares, as applicable, pursuant to the merger agreement. This joint proxy statement/prospectus also constitutes a proxy statement for each of Pebblebrook and LaSalle for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. In addition, it constitutes a notice of meeting with respect to the Pebblebrook special meeting and a notice of meeting with respect to the LaSalle special meeting.

You should rely only on the information contained in, or incorporated by reference into, this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from such information. This joint proxy statement/prospectus is dated October 29, 2018. You should not assume that the information contained in, or incorporated by reference into, this joint proxy statement/prospectus is accurate as of any date other than that date or the date of the information incorporated into this joint proxy statement/prospectus, respectively. Neither our mailing of this joint proxy statement/prospectus to Pebblebrook shareholders and LaSalle shareholders nor the issuance of Pebblebrook common shares or Pebblebrook preferred shares to LaSalle shareholders and the limited partners of LaSalle OP (other than LaSalle and its affiliates) pursuant to the merger agreement will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement/prospectus regarding Pebblebrook has been provided by Pebblebrook and information contained in this joint proxy statement/prospectus regarding LaSalle has been provided by LaSalle.**

---



Table of Contents

**TABLE OF CONTENTS**

<b><u>QUESTIONS AND ANSWERS</u></b>	<b><u>11</u></b>
<b><u>SUMMARY</u></b>	<b><u>25</u></b>
<u>The Companies</u>	<u>25</u>
<u>The Mergers</u>	<u>26</u>
<u>Financing Related to the Mergers (See page 233)</u>	<u>29</u>
<u>Recommendation of the LaSalle Board of Trustees (See page 118)</u>	<u>30</u>
<u>Recommendation of the Pebblebrook Board of Trustees (See page 122)</u>	<u>30</u>
<u>Summary of Risks Related to the Mergers (See page 50)</u>	<u>30</u>
<u>The Pebblebrook Special Meeting (See page 65)</u>	<u>31</u>
<u>The LaSalle Special Meeting (See page 70)</u>	<u>32</u>
<u>Opinions of Financial Advisors</u>	<u>33</u>
<u>Treatment of LaSalle's Equity Awards (See page 204)</u>	<u>34</u>
<u>Trustees and Management of the Combined Company After the Mergers (See page 235)</u>	<u>35</u>
<u>Interests of Pebblebrook's Trustees and Executive Officers in the Mergers (See page 154)</u>	<u>35</u>
<u>Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers (See page 155)</u>	<u>35</u>
<u>Listing of Pebblebrook Common Shares, Pebblebrook Series E Preferred Shares and Pebblebrook Series F Preferred Shares (See page 202)</u>	<u>37</u>
<u>No Shareholder Appraisal Rights in the Mergers (See page 210)</u>	<u>37</u>
<u>Conditions to Completion of the Mergers (See page 228)</u>	<u>38</u>
<u>Regulatory Approvals Required for the Mergers (See page 164)</u>	<u>38</u>
<u>Restriction on Solicitation of Acquisition Proposals (See page 217)</u>	<u>38</u>
<u>Termination of the Merger Agreement (See page 230)</u>	<u>39</u>
<u>Termination Fee and Expenses (See page 231)</u>	<u>40</u>
<u>Material U.S. Federal Income Tax Consequences of the Company Merger (See page 166)</u>	<u>40</u>
<u>Accounting Treatment of the Mergers (See page 201)</u>	<u>41</u>
<u>Comparison of Rights of Pebblebrook Shareholders and LaSalle Shareholders (See page 246)</u>	<u>41</u>
<u>Selected Historical Financial Information of Pebblebrook</u>	<u>41</u>
<u>Selected Historical Financial Information of LaSalle</u>	<u>44</u>
<u>Selected Pro Forma Condensed Combined Financial Information (See page F-1)</u>	<u>45</u>
<u>Unaudited Comparative Per Share Information</u>	<u>46</u>
<u>Comparative Pebblebrook and LaSalle Market Price and Dividend Information</u>	<u>47</u>
<u>Ratio of Earnings to Combined Fixed Charges and Preferred Share Dividends</u>	<u>49</u>
<b><u>RISK FACTORS</u></b>	<b><u>50</u></b>
<u>Risks Related to the Mergers</u>	<u>50</u>
<u>Risks Related to the Combined Company Following the Mergers</u>	<u>54</u>
<u>Risks Related to an Investment in the Common Shares of the Combined Company Following the Mergers</u>	<u>56</u>
<b><u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u></b>	<b><u>62</u></b>
<u>Pebblebrook Hotel Trust and Pebblebrook Hotel, L.P.</u>	<u>63</u>
<u>LaSalle Hotel Properties and LaSalle Hotel Operating Partnership, L.P.</u>	<u>63</u>
<u>The Combined Company</u>	<u>64</u>
<b><u>THE PEBBLEBROOK SPECIAL MEETING</u></b>	<b><u>65</u></b>
<u>Date, Time, Place and Purpose of the Pebblebrook Special Meeting</u>	<u>65</u>
<u>Recommendation of the Pebblebrook Board of Trustees</u>	<u>65</u>
<u>Pebblebrook Record Date: Who Can Vote at the Pebblebrook Special Meeting</u>	<u>65</u>
<u>Required Vote: Quorum</u>	<u>66</u>
<u>Abstentions and Broker Non-Votes</u>	<u>66</u>
<u>Manner of Submitting Proxy</u>	<u>66</u>

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

<u>Shares Held in "Street Name"</u>	<u>67</u>
<u>Revocation of Proxies or Voting Instructions</u>	<u>67</u>
<u>Tabulation of Votes</u>	<u>68</u>
<u>Solicitation of Proxies; Payment of Solicitation Expenses</u>	<u>68</u>
<u>Adjournments</u>	<u>68</u>
<u>Postponements</u>	<u>68</u>
<b><u>PROPOSALS SUBMITTED TO PEBBLEBROOK SHAREHOLDERS</u></b>	<b><u>69</u></b>
<u>Common Shares Issuance Proposal</u>	<u>69</u>
<u>Pebblebrook Adjournment Proposal</u>	<u>69</u>
<u>Other Business</u>	<u>69</u>
<b><u>THE LASALLE SPECIAL MEETING</u></b>	<b><u>70</u></b>
<u>Date, Time, Place and Purpose of the LaSalle Special Meeting</u>	<u>70</u>
<u>Recommendation of the LaSalle Board of Trustees</u>	<u>70</u>
<u>Record Date, Notice and Quorum</u>	<u>71</u>
<u>Required Vote</u>	<u>71</u>
<u>How to Authorize a Proxy</u>	<u>72</u>
<u>Proxies and Revocation</u>	<u>72</u>
<u>Solicitation of Proxies</u>	<u>73</u>
<u>Adjournments</u>	<u>73</u>
<u>Postponements</u>	<u>73</u>
<b><u>PROPOSALS SUBMITTED TO LASALLE SHAREHOLDERS</u></b>	<b><u>74</u></b>
<u>Merger Proposal</u>	<u>74</u>
<u>LaSalle Advisory (Non-Binding) Proposal on Specified Compensation</u>	<u>74</u>
<u>LaSalle Adjournment Proposal</u>	<u>75</u>
<b><u>THE MERGERS</u></b>	<b><u>76</u></b>
<u>Background of the Mergers</u>	<u>76</u>
<u>Recommendation of the LaSalle Board and Its Reasons for the Mergers</u>	<u>118</u>
<u>Recommendation of the Pebblebrook Board and Its Reasons for the Mergers</u>	<u>122</u>
<u>Opinion of Pebblebrook's Financial Advisor</u>	<u>124</u>
<u>Opinions of LaSalle's Financial Advisors</u>	<u>131</u>
<u>Certain Pebblebrook Unaudited Prospective Financial Information</u>	<u>147</u>
<u>Certain LaSalle Unaudited Prospective Financial Information</u>	<u>149</u>
<u>Important Information About the Financial Projections</u>	<u>152</u>
<u>Interests of Pebblebrook's Trustees and Executive Officers in the Mergers</u>	<u>154</u>
<u>Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers</u>	<u>155</u>
<u>Security Ownership of LaSalle's Trustees and Executive Officers and Certain Beneficial Owners</u>	<u>162</u>
<u>Regulatory Approvals Required for the Mergers</u>	<u>164</u>
<u>Material U.S. Federal Income Tax Consequences</u>	<u>164</u>
<u>Material U.S. Federal Income Tax Consequences of the Company Merger</u>	<u>166</u>
<u>Accounting Treatment</u>	<u>201</u>
<u>Exchange Fund</u>	<u>201</u>
<u>Dividends and Distributions</u>	<u>202</u>
<u>Listing of Pebblebrook Common Shares, Pebblebrook Series E Preferred Shares and Pebblebrook Series F Preferred Shares</u>	<u>202</u>
<u>Delisting and Deregistration of LaSalle Common Shares, LaSalle Series I Preferred Shares and LaSalle Series J Preferred Shares</u>	<u>202</u>
<b><u>THE MERGER AGREEMENT</u></b>	<b><u>203</u></b>
<u>Structure</u>	<u>203</u>
<u>Organizational Documents</u>	<u>204</u>
<u>General Partner and Limited Partners</u>	<u>204</u>

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

<u>Treatment of LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares</u>	<u>204</u>
<u>Treatment of Interests in LaSalle OP</u>	<u>207</u>
<u>Exchange and Payment Procedures</u>	<u>208</u>
<u>Procedures for Surrender</u>	<u>208</u>
<u>No Appraisal Rights</u>	<u>210</u>
<u>Representations and Warranties of the Parties</u>	<u>210</u>
<u>Conduct of Pebblebrook's and LaSalle's Business Pending the Mergers</u>	<u>213</u>
<u>Shareholders' Meetings</u>	<u>217</u>
<u>Restriction on Solicitation of Acquisition Proposals</u>	<u>217</u>
<u>Obligation of Each Party's Board of Trustees with Respect to Its Recommendation</u>	<u>220</u>
<u>Agreement to Take Certain Actions</u>	<u>222</u>
<u>Employee Benefits</u>	<u>222</u>
<u>Financing Cooperation</u>	<u>224</u>
<u>Distribution of REIT Taxable Income</u>	<u>225</u>
<u>Certain Other Covenants</u>	<u>226</u>
<u>Conditions to the Mergers</u>	<u>228</u>
<u>Termination of the Merger Agreement</u>	<u>230</u>
<u>Termination Fees</u>	<u>231</u>
<u>Amendment and Waiver</u>	<u>232</u>
<b><u>FINANCING RELATED TO THE MERGERS</u></b>	<b><u>233</u></b>
<u>Debt Financing - Bridge Loan Commitment Letter</u>	<u>233</u>
<u>Contingent Purchase and Sale Agreement</u>	<u>234</u>
<b><u>TRUSTEES AND MANAGEMENT OF THE COMBINED COMPANY AFTER THE MERGERS</u></b>	<b><u>235</u></b>
<b><u>DESCRIPTION OF SHARES OF BENEFICIAL INTEREST</u></b>	<b><u>236</u></b>
<u>General</u>	<u>236</u>
<u>Common Shares</u>	<u>236</u>
<u>6.375% Series E Cumulative Redeemable Preferred Shares</u>	<u>240</u>
<u>6.3% Series F Cumulative Redeemable Preferred Shares</u>	<u>243</u>
<b><u>COMPARISON OF RIGHTS OF PEBBLEBROOK SHAREHOLDERS AND LASALLE SHAREHOLDERS</u></b>	<b><u>246</u></b>
<b><u>SHAREHOLDER PROPOSALS</u></b>	<b><u>251</u></b>
<b><u>LEGAL MATTERS</u></b>	<b><u>252</u></b>
<b><u>EXPERTS</u></b>	<b><u>252</u></b>
<b><u>WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE</u></b>	<b><u>252</u></b>
<b><u>INDEX TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u></b>	<b><u>F-1</u></b>
<u>Annex A Agreement and Plan of Merger, with Amendment No. 1</u>	<u>A-1</u>
<u>Annex B Opinion, dated September 6, 2018, of Raymond James &amp; Associates, Inc.</u>	<u>B-1</u>
<u>Annex C Opinion, dated September 6, 2018, of Citigroup Global Markets Inc.</u>	<u>C-1</u>
<u>Annex D Opinion, dated September 6, 2018, of Goldman Sachs &amp; Co. LLC</u>	<u>D-1</u>
<u>Annex E Form of Amended and Restated Operating Partnership Agreement of LaSalle OP</u>	<u>E-1</u>
<u>Annex F Form of Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of Pebblebrook OP</u>	<u>F-1</u>
<u>Annex G Form of Articles Supplementary Relating to the Pebblebrook Series E Preferred Shares</u>	<u>G-1</u>
<u>Annex H Form of Articles Supplementary Relating to the Pebblebrook Series F Preferred Shares</u>	<u>H-1</u>

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

#### QUESTIONS AND ANSWERS

*The following are answers to some questions you may have regarding the proposed transactions between Pebblebrook and LaSalle. Pebblebrook and LaSalle urge you to read carefully this entire joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference into this joint proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.*

Unless stated otherwise, all references in this joint proxy statement/prospectus to:

"cash consideration" mean \$37.80 in cash per LaSalle common share to be paid by Pebblebrook in the company merger, for up to 30% of the LaSalle common shares outstanding immediately prior to the company merger, subject to the terms and limitations in the merger agreement;

"combined company" are to Pebblebrook and its consolidated subsidiaries after the completion of the mergers;

"company merger" are to the merger of LaSalle with and into Merger Sub, with Merger Sub surviving the merger;

"Exchange Act" are to the Securities Exchange Act of 1934, as amended;

"LaSalle" are to LaSalle Hotel Properties, a Maryland real estate investment trust;

"LaSalle Board" are to the Board of Trustees of LaSalle;

"LaSalle common shares" are to the common shares of beneficial interest, \$.01 par value per share, of LaSalle;

"LaSalle OP" are to LaSalle Hotel Operating Partnership, L.P., a Delaware limited partnership, whose sole general partner is LaSalle;

"LaSalle OP common units" are to common units of limited partnership interest in LaSalle OP;

"LaSalle parties" are to both LaSalle and LaSalle OP;

"LaSalle Series I preferred shares" are to the 6.375% Series I Cumulative Redeemable Preferred Shares of Beneficial Interest, \$.01 par value per share, of LaSalle;

"LaSalle Series I preferred units" are to units of limited partnership interest in LaSalle OP designated as 6.375% Series I Cumulative Redeemable Preferred Partnership Units;

"LaSalle Series J preferred shares" are to the 6.3% Series J Cumulative Redeemable Preferred Shares of Beneficial Interest, \$.01 par value per share, of LaSalle;

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

"LaSalle Series J preferred units" are to units of limited partnership interest in LaSalle OP designated as 6.3% Series J Cumulative Redeemable Preferred Partnership Units;

"merger agreement" are to the Agreement and Plan of Merger, dated as of September 6, 2018, by and among the Pebblebrook parties and the LaSalle parties, as amended on September 18, 2018, and as it may be amended from time to time, a copy of which is attached as Annex A to this joint proxy statement/prospectus;

"merger consideration" mean the right of a holder of a LaSalle common share to receive, at the election of the holder, the share consideration or the cash consideration, subject to certain adjustments and limitations in the merger agreement;

"mergers" are to both the company merger and the partnership merger;

"Merger OP" are to Ping Merger OP, LP, a Delaware limited partnership, whose sole general partner is Merger OP GP;

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

"Merger OP GP" are to Ping Merger OP GP, LLC, a Delaware limited liability company, whose sole member is Pebblebrook OP;

"Merger Sub" are to Ping Merger Sub, LLC, a Maryland limited liability company and wholly owned subsidiary of Pebblebrook;

"NYSE" are to the New York Stock Exchange;

"end date" are to March 6, 2019;

"partnership merger" are to the merger of Merger OP with and into LaSalle OP, with LaSalle OP surviving the merger as a wholly owned subsidiary of Pebblebrook OP;

"Pebblebrook" are to Pebblebrook Hotel Trust, a Maryland real estate investment trust;

"Pebblebrook Board" are to the Board of Trustees of Pebblebrook;

"Pebblebrook common shares" are to common shares of beneficial interest of Pebblebrook, \$0.01 par value per share;

"Pebblebrook OP common units" are to units of limited partnership interest in Pebblebrook OP;

"Pebblebrook OP" are to Pebblebrook Hotel, L.P., a Delaware limited partnership, whose sole general partner is Pebblebrook;

"Pebblebrook parties" are to, collectively, Pebblebrook, Pebblebrook OP, Merger Sub and Merger OP;

"Pebblebrook preferred shares" are to, together, Pebblebrook Series E preferred shares and Pebblebrook Series F preferred shares;

"Pebblebrook Series E preferred shares" are to 6.375% Series E Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share, of Pebblebrook;

"Pebblebrook Series E preferred units" are to units of limited partnership interest in Pebblebrook OP designated as 6.375% Series E Cumulative Redeemable Preferred Units;

"Pebblebrook Series F preferred shares" are to 6.3% Series F Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share, of Pebblebrook;

"Pebblebrook Series F preferred units" are to units of limited partnership interest in Pebblebrook OP designated as 6.3% Series F Cumulative Redeemable Preferred Units;

Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

"SEC" are to the United States Securities and Exchange Commission;

"Securities Act" are to the Securities Act of 1933, as amended;

"share consideration" mean 0.92 validly issued, fully paid and nonassessable Pebblebrook common shares;

"surviving entity" are to Merger Sub, a wholly owned subsidiary of Pebblebrook, after the effective time of the company merger; and

"surviving partnership" are to LaSalle OP after the effective time of the partnership merger.

**Q:**

**What is the proposed transaction?**

**A:**

Pebblebrook and LaSalle have entered into the merger agreement, pursuant to which (i) LaSalle will merge with and into Merger Sub, with Merger Sub surviving the merger as a wholly owned subsidiary of Pebblebrook, and (ii) Merger OP will merge with and into LaSalle OP, with LaSalle OP surviving the merger as a wholly owned subsidiary of Pebblebrook OP.

Table of Contents

**Q:** **What will happen in the proposed transaction?**

**A:** At the effective time of the company merger, pursuant to the terms of the merger agreement, (i) each issued and outstanding LaSalle common share will be converted into the right to receive, at the election of the holder: (a) 0.92, which we refer to as the exchange ratio, validly issued, fully paid and nonassessable Pebblebrook common shares or (b) \$37.80 in cash, which we refer to as the cash consideration, subject to certain adjustments and to any applicable withholding tax (ii) each LaSalle Series I preferred share will be converted into the right to receive one validly issued, fully paid and nonassessable Pebblebrook Series E preferred share; and (iii) each LaSalle Series J preferred share will be converted into the right to receive one validly issued, fully paid and nonassessable Pebblebrook Series F preferred share. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration will be equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the mergers. LaSalle common shares held by Pebblebrook will be excluded from the cash election in the company merger, effectively increasing the maximum cash shares to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the effective time of the company merger.

Additionally, immediately prior to the effective time of the company merger, pursuant to the terms of the merger agreement, (i) each outstanding restricted LaSalle common share will vest and all restrictions thereon will lapse, and each such share will be converted into the right to submit an election and receive the merger consideration; (ii) each outstanding LaSalle performance award will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement, and each such LaSalle common share will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration; and (iii) each outstanding award of deferred LaSalle common shares will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration for the number of LaSalle common shares subject to such award (prior to its cancellation).

At the effective time of the partnership merger, pursuant to the terms of the merger agreement, (i) each unit of general partner interest in LaSalle OP shall be cancelled and no payment shall be made thereon; (ii) all of the LaSalle Series I preferred units shall be converted into the right to receive an equal number of Pebblebrook Series E preferred units; (iii) all of the LaSalle Series J preferred units shall be converted into the right to receive an equal number of Pebblebrook Series F preferred units; and (iv) each LaSalle OP common unit held by limited partners in LaSalle OP (other than LaSalle or its affiliates) shall be cancelled and converted into the right to receive, at the holder's election, either Pebblebrook OP common units in an amount equal to the exchange ratio, without interest, or LaSalle common shares in an amount equal to the exchange ratio, without interest, which shares would then be cancelled in exchange for the right to receive the share consideration.

LaSalle shareholders and LaSalle OP unitholders that receive Pebblebrook common shares will not receive any fractional Pebblebrook common shares or fractional Pebblebrook OP common units in the mergers and instead will be paid cash (without interest) in lieu of any fractional share or unit to which they would otherwise be entitled.

See "The Merger Agreement Treatment of LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares" beginning on page 204 and "The Merger Agreement Treatment of Interests in LaSalle OP" beginning on page 207.



Table of Contents

**Q: If I am a LaSalle shareholder, do I need to make an election in order to receive the cash consideration?**

**A:** If you want to elect to receive the cash consideration and you hold your LaSalle common shares in "street name" (i.e., through a bank, brokerage firm or other nominee), you may do so at any time up until the election deadline established by your nominee. That election deadline may be earlier than November 26, 2018, therefore you should carefully read any materials received from your bank, brokerage firm or other nominee, and you should follow the procedures established by your bank, brokerage firm or other nominee in order to make an election.

Each holder of record of LaSalle common shares (holding directly through LaSalle's transfer agent) (other than excluded shares) or of a LaSalle compensatory award issued and outstanding at the close of business on the record date will have the right to submit an election to receive the cash consideration or the common share consideration by delivering an election form to the exchange agent prior to 5:00 p.m., Eastern Time, on November 26, 2018, which is the business day immediately prior to the LaSalle special meeting, which we refer to as the election deadline. LaSalle will mail the election form to the record holders of LaSalle common shares and LaSalle compensatory awards concurrently with the mailing of this joint proxy statement/prospectus.

An election may be revoked by a record holder of LaSalle common shares by delivering written notice to the exchange agent prior to the election deadline. If an election is revoked by a record holder, the LaSalle common shares subject to such revoked election will be deemed to have elected to receive the common share consideration unless a new election is made prior to the election deadline. LaSalle common shareholders who hold their LaSalle common shares in street name will need to follow the procedures established by their bank, brokerage firm or other nominee in order to revoke an election.

For more information about the election procedures, see "The Merger Agreement Treatment of LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares" beginning on page 204.

**Q: What happens if I do not make a valid election in accordance with the election form?**

**A:** If you do not return a properly completed and signed election form by the election deadline, your LaSalle common shares will be converted into the right to receive Pebblebrook common shares in accordance with the procedures specified in the merger agreement. If you hold LaSalle common shares in street name, you may be subject to an earlier election deadline established by your nominee. Therefore, you should carefully read any materials received from your bank, brokerage firm or other nominee, and you should follow the procedures established by your bank, brokerage firm or other nominee in order to make an election. For more information about the proration procedures, see "The Merger Agreement Treatment of LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares" beginning on page 204.

**Q: Are there limits on the number of LaSalle common shares eligible to be converted into the right to receive the cash consideration?**

**A:** Under the terms of the merger agreement, the number of LaSalle common shares that is eligible to receive the cash consideration is subject to proration. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration, which we refer to as the maximum cash shares, is equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the company merger (including LaSalle common shares relating to the LaSalle compensatory awards that become or are deemed to be issued or outstanding). LaSalle common shares held by Pebblebrook will be excluded

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

from the cash election in the company merger, effectively increasing the maximum cash shares to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the effective time of the company merger.

If the aggregate number of cash election shares exceeds the number of maximum cash shares, the number of cash election shares designated by any holder of LaSalle common shares as a cash election will be subject to pro rata reduction as follows: For each such cash election, the number of such holder's LaSalle common shares that will be converted into the right to receive the cash consideration will be equal to (1) the number of such holder's cash election shares multiplied by (2) the merger cash proration factor, rounded down to the nearest whole LaSalle common share. The merger cash proration factor means a fraction, the numerator of which is the number of maximum cash shares and the denominator of which is the aggregate number of all cash election shares. Any cash election shares that were not converted into the right to receive cash consideration in accordance with such calculation will be converted into the right to receive the common share consideration.

**Q:** **How will Pebblebrook shareholders be affected by the mergers and the issuance of Pebblebrook common shares in connection with the mergers?**

**A:** After the mergers, each Pebblebrook shareholder will continue to own the Pebblebrook common shares that such shareholder held immediately prior to the effective time of the mergers. As a result of the merger, each Pebblebrook shareholder will own common shares in the combined company. However, because Pebblebrook will be issuing new Pebblebrook common shares to LaSalle shareholders in exchange for LaSalle common shares in the company merger, each Pebblebrook common share outstanding immediately prior to the effective time of the company merger will represent a smaller percentage of the aggregate number of common shares of the combined company outstanding after the mergers. Upon completion of the mergers, we estimate that ownership of the issued and outstanding common shares of the combined company will be as follows (in each case assuming that all of the limited partners (excluding LaSalle and its affiliates) of LaSalle OP elect to receive Pebblebrook common shares instead of Pebblebrook OP common units):

If all LaSalle shareholders elect to receive the maximum cash amount, then Pebblebrook shareholders will own approximately 52.8% and former LaSalle security holders will own approximately 47.2%; and

If all LaSalle shareholders elect to receive Pebblebrook common shares, then Pebblebrook shareholders will own approximately 42.7% and former LaSalle security holders will own approximately 57.3%.

**Q:** **What happens if the market prices of Pebblebrook common shares or LaSalle common shares change before completion of the mergers?**

**A:** No change will be made to the exchange ratio or cash consideration if the market prices of Pebblebrook common shares or LaSalle common shares change before completion of the mergers. As a result, the value of the merger consideration to be received by LaSalle shareholders in the mergers will increase or decrease depending on the market price of Pebblebrook common shares at the effective time of the company merger.

**Q:** **Why am I receiving this joint proxy statement/prospectus?**

**A:** The Pebblebrook Board and the LaSalle Board are using this joint proxy statement/prospectus to solicit proxies of Pebblebrook shareholders and LaSalle shareholders, respectively, in connection with approval of the mergers and related transactions. In addition, Pebblebrook is using this joint

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

proxy statement/prospectus as a prospectus for the issuance of Pebblebrook common shares pursuant to the merger agreement. The mergers cannot be completed unless, among other things:

the holders of Pebblebrook common shares vote to approve the issuance of the Pebblebrook common shares in connection with the mergers; and

the holders of LaSalle common shares vote to approve the company merger and the other transactions contemplated by the merger agreement.

Pebblebrook and LaSalle will hold separate meetings of their respective shareholders to obtain these approvals and to consider other proposals as described elsewhere in this joint proxy statement/prospectus.

This joint proxy statement/prospectus contains important information about the mergers and the other proposals being voted on at the special meetings and you should read it carefully. The enclosed voting materials allow you to vote your Pebblebrook common shares and/or LaSalle common shares, as applicable, without attending the applicable special meeting.

**Your vote is important. You are encouraged to submit your proxy as promptly as possible.**

**Q:**

**Am I being asked to vote on any other proposals at the special meetings in addition to the merger proposals?**

**A:**

*Pebblebrook.* At the Pebblebrook special meeting, Pebblebrook shareholders will be asked to consider and vote upon the following additional proposal:

To approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

*LaSalle.* At the LaSalle special meeting, LaSalle shareholders will be asked to consider and vote upon the following additional proposals:

A non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the other transactions contemplated by the merger agreement; and

To approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

**Q:**

**Why are Pebblebrook and LaSalle proposing the mergers?**

**A:**

Among other reasons, if completed, the combined company is expected to have a pro forma enterprise value of approximately \$7.6 billion and a total market capitalization of approximately \$4.3 billion (in each case based on the closing price per share of Pebblebrook common shares on October 25, 2018, which is the most recent practical date prior to the date of this joint proxy statement/prospectus, and assuming that all LaSalle shareholders elect to receive the maximum cash amount). We refer to an entity that qualifies as, and elects to be taxed as, a real estate investment trust for U.S. federal income tax purposes as a REIT. In addition, the combined company is expected to benefit from a lower cost of capital and the creation of synergies resulting from the elimination of duplicative corporate functions. To review in greater detail the reasons the Pebblebrook Board and the LaSalle Board recommended the mergers, see "The Mergers Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 122

Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

and "The Mergers Recommendation of the LaSalle Board and Its Reasons for the Mergers" beginning on page 118.

Table of Contents

**Q:** **Will Pebblebrook and LaSalle continue to pay dividends or distributions prior to completion of the mergers?**

**A:** The merger agreement permits the authorization, declaration and payment by Pebblebrook of regular quarterly dividends and by Pebblebrook OP of regular quarterly distributions, payable in accordance with past practice at a quarterly rate not to exceed (i) \$0.38 per Pebblebrook common share and Pebblebrook OP common unit, (ii) \$0.40625 per Pebblebrook Series C preferred share and unit and (iii) \$0.39844 per Pebblebrook Series D preferred share and unit, as well as any distribution that is required to maintain its REIT qualification or to avoid the incurrence of federal income or excise tax.

The merger agreement prohibits the authorization, declaration and payment by LaSalle of regular quarterly dividends on LaSalle common shares and by LaSalle OP of regular quarterly distributions on LaSalle OP common units. However, the merger agreement permits the authorization, declaration and payment by LaSalle of regular quarterly dividends, payable in accordance with past practice at a quarterly rate not to exceed (i) \$0.3984375 per LaSalle Series I preferred share and unit and (ii) \$0.39375 per LaSalle Series J preferred share and unit, as well as any distribution that is required to maintain its REIT qualification or to avoid the imposition of federal income or excise tax. The merger agreement also permits, subject to certain conditions, the authorization, declaration and payment by LaSalle of a dividend if the mergers are not complete on or prior to December 31, 2018. The per-share dividend amount of such a dividend shall be payable by LaSalle on LaSalle common shares in an amount equal to \$0.90 per LaSalle common share, multiplied by a fraction, the numerator of which is the number of days after and including January 1, 2019 through and including the date on which the dividend will be paid and the denominator of which is 365.

**Q:** **When and where will the special meetings be held?**

**A:** The Pebblebrook special meeting will be held on November 27, 2018, beginning at 9:00 a.m., Eastern Time, at the offices of Hunton Andrews Kurth LLP, 2200 Pennsylvania Avenue NW, Washington, DC 20037.

The LaSalle special meeting will be held on November 27, 2018, beginning at 10:00 a.m., Eastern Time, at the Sofitel Washington DC Lafayette Square, 806 15<sup>th</sup> street NW, Washington, DC 20005.

**Q:** **Who can vote at the special meetings?**

**A:** *Pebblebrook.* All holders of Pebblebrook common shares as of the close of business on October 23, 2018, which is the record date for determining the Pebblebrook shareholders entitled to notice of and to vote at the Pebblebrook special meeting, are entitled to receive notice of and to vote at the Pebblebrook special meeting. As of the record date, there were 69,039,917 Pebblebrook common shares outstanding and entitled to vote at the Pebblebrook special meeting, held by approximately 19 holders of record. Each Pebblebrook common share is entitled to one vote on each proposal presented at the Pebblebrook special meeting.

*LaSalle.* All holders of LaSalle common shares as of the close of business on October 23, 2018, which is the record date for determining LaSalle shareholders entitled to notice of and to vote at the LaSalle special meeting, are entitled to receive notice of and to vote at the LaSalle special meeting. As of the record date, there were 110,397,737 LaSalle common shares outstanding and entitled to vote at the LaSalle special meeting, held by approximately 50 holders of record. Each LaSalle common share is entitled to one vote on each proposal presented at the LaSalle special meeting. Holders of LaSalle preferred shares are entitled to notice of the LaSalle special meeting but are not entitled to attend or vote at the LaSalle special meeting and no vote or proxy is being solicited from the holders of LaSalle preferred shares.

Table of Contents

**Q:** **What constitutes a quorum?**

**A:** *Pebblebrook.* Pebblebrook's bylaws provide that the presence, in person or by proxy, of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter will constitute a quorum.

*LaSalle.* LaSalle's bylaws provide that the presence, in person or by proxy, of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting will constitute a quorum.

Shares that are voted, in person or by proxy, and shares abstaining from voting are treated as present at each of the special meetings for purposes of determining whether a quorum is present.

**Q:** **What vote is required to approve the proposals?**

**A:** *Pebblebrook.*

Approval of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of at least a majority of all votes cast on such proposal.

*LaSalle.*

Approval of the proposal to approve the company merger and the other transactions contemplated by the merger agreement requires the affirmative vote of at least 66<sup>2</sup>/<sub>3</sub>% of all the votes entitled to be cast on such proposal.

Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated by the merger agreement requires the affirmative vote of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement requires, whether or not a quorum is present, the affirmative vote of at least a majority of all votes cast on such proposal.

**Q:** **How does the Pebblebrook Board recommend that Pebblebrook shareholders vote on the proposals?**

**A:** The Pebblebrook Board has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of Pebblebrook and Pebblebrook shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement. The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote **"FOR"** the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and **"FOR"** the proposal to approve one or more adjournments of the Pebblebrook special

meeting to another date, time or place, if necessary or appropriate, to solicit

Table of Contents

additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

For a more complete description of the recommendation of the Pebblebrook Board, see "The Mergers Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 122.

**Q:**  
**How does the LaSalle Board recommend that LaSalle shareholders vote on the proposals?**

**A:**  
The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization), (i) determined that the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle and LaSalle shareholders, (ii) authorized and approved the mergers and the other transactions contemplated by the merger agreement and (iii) approved and adopted the merger agreement. The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization), recommends that LaSalle shareholders vote **"FOR"** the proposal to approve the company merger and the other transactions contemplated by the merger agreement, **"FOR"** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby and **"FOR"** the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

For a more complete description of the recommendation of the LaSalle Board, see "The Mergers Recommendation of the LaSalle Board and Its Reasons for the Mergers" beginning on page 118.

**Q:**  
**Do any of LaSalle's executive officers or trustees have interests in the mergers that may differ from those of other LaSalle shareholders?**

**A:**  
LaSalle's executive officers and trustees have interests in the mergers that are different from, or in addition to, the interests of other LaSalle shareholders. The LaSalle Board was aware of and considered these interests, among other matters, in evaluating the merger agreement and the mergers, and in recommending that LaSalle shareholders vote **"FOR"** the proposal to approve the company merger and the other transactions contemplated by the merger agreement. For a description of these interests, see the section entitled "The Mergers Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers" beginning on page 155.

**Q:**  
**Who will be the trustees and management of the combined company?**

**A:**  
All seven current members of the Pebblebrook Board will continue to serve as the trustees of the combined company. No members of the LaSalle Board will serve as trustees of the combined company.

The current executive officers of Pebblebrook will continue to serve as the executive officers of the combined company, with Jon E. Bortz continuing to serve as President, Chief Executive Officer and Chairman of the Board of the combined company. See "Trustees and Management of the Combined Company After the Mergers" beginning on page 235.



Table of Contents

**Q: Are there any conditions to completion of the mergers that must be satisfied for the mergers to be completed?**

**A:** In addition to the approval of Pebblebrook shareholders of the issuance of Pebblebrook common shares pursuant to the merger agreement and the approval of LaSalle shareholders of the company merger and the other transactions contemplated by the merger agreement, there are a number of customary conditions that must be satisfied or waived for the mergers to be consummated. For a description of all of the conditions to the mergers, see "The Merger Agreement Conditions to the Mergers" beginning on page 228.

**Q: Are there risks associated with the mergers that I should consider in deciding how to vote?**

**A:** Yes. There are a number of risks related to the mergers that are discussed in this joint proxy statement/prospectus described in the section entitled "Risk Factors" beginning on page 50.

**Q: If my Pebblebrook common shares or my LaSalle common shares are held in "street name" by my broker or other nominee, will my broker or other nominee vote my Pebblebrook common shares or my LaSalle common shares for me? What happens if I do not vote for a proposal?**

**A:** Unless you instruct your broker or other nominee how to vote your Pebblebrook common shares and/or your LaSalle common shares, as applicable, held in street name, your shares will NOT be voted. If you hold your Pebblebrook common shares and/or your LaSalle common shares in a brokerage account or if your shares are held by a broker or other nominee (that is, in street name), in order for your shares to be present and voted at the applicable special meeting, you must provide your broker or other nominee with instructions on how to vote your shares.

If you are a Pebblebrook shareholder, abstentions will be counted in determining the presence of a quorum. Abstentions will have no effect on the outcome of the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers. Abstentions will have no effect on the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

If you are a LaSalle shareholder, abstentions will be counted in determining the presence of a quorum. **Abstentions will have the same effect as votes AGAINST the proposal to approve the company merger and the other transactions contemplated by the merger agreement.** Abstentions will have no effect on the outcome of (i) the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby or (ii) the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

**Q: Will my rights as a shareholder of Pebblebrook or LaSalle change as a result of the mergers?**

**A:** The rights of Pebblebrook shareholders will be unchanged as a result of the mergers. LaSalle shareholders will have different rights following completion of the mergers due to the differences between the governing documents of Pebblebrook and LaSalle. For more information regarding the differences in shareholder rights, see "Comparison of Rights of Pebblebrook Shareholders and LaSalle Shareholders" beginning on page 246.

Table of Contents

**Q: When are the mergers expected to be completed?**

**A:** Pebblebrook and LaSalle expect to complete the mergers as soon as reasonably practicable following satisfaction of all of the required conditions. If LaSalle shareholders approve the company merger, Pebblebrook shareholders approve the issuance of Pebblebrook common shares in connection with the mergers and the other conditions to completion of the mergers are satisfied or waived, it is currently expected that the mergers will be completed on November 30, 2018. However, there is no guarantee that the conditions to the mergers will be satisfied or that the mergers will close.

**Q: If I am a LaSalle shareholder and my LaSalle common shares are in certificated form, do I need to do anything with my share certificates now?**

**A:** No. You should not submit your share certificates at this time. After the mergers are completed, if you held LaSalle common shares, the exchange agent for Pebblebrook will send you a letter of transmittal and instructions for exchanging your LaSalle common shares for Pebblebrook common shares or cash, as applicable, pursuant to the terms of the merger agreement. Upon surrender of a certificate or book-entry share for cancellation along with the executed letter of transmittal and other required documents described in the instructions, a LaSalle shareholder will receive Pebblebrook common shares or cash, as applicable, pursuant to the terms of the merger agreement.

**Q: What are the anticipated U.S. federal income tax consequences to me of the proposed mergers?**

It is intended that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. The completion of the mergers is conditioned on the receipt by each of Pebblebrook and LaSalle of an opinion from counsel to the effect that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the company merger qualifies as a reorganization, the tax consequences for U.S. holders (as defined elsewhere in this joint proxy statement/prospectus) of LaSalle common shares who receive Pebblebrook common shares and/or cash in exchange for their shares in connection with the company merger generally will be as follows:

if a LaSalle shareholder receives solely Pebblebrook common shares, such shareholder generally will not recognize any gain or loss, except with respect to cash received in lieu of fractional Pebblebrook common shares;

if a LaSalle shareholder receives solely cash, such shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the shareholder's tax basis in its LaSalle common shares; and

if a LaSalle shareholder receives a combination of Pebblebrook common shares and cash, such shareholder generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the sum of the cash and the fair market value of the Pebblebrook common shares received, minus the shareholder's tax basis in its LaSalle common shares, and (2) the amount of cash received.

Non-U.S. holders (as defined herein) who receive some or all of the merger consideration in cash may be subject to U.S. withholding tax with respect to the cash consideration. Holders of LaSalle common shares should read the discussion under the heading "The Mergers Material U.S. Federal Income Tax Consequences" beginning on page 164 and consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the company merger.

Table of Contents

**Q:** **Are LaSalle shareholders entitled to appraisal rights?**

**A:** No. LaSalle shareholders are not entitled to exercise appraisal rights in connection with the mergers. See "The Merger Agreement No Appraisal Rights" beginning on page 210 for more information.

**Q:** **What do I need to do now?**

**A:** **1) Submit your proxy.**

After you have carefully read this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instruction card and returning it in the enclosed preaddressed postage-paid envelope or, if available, by submitting your proxy by one of the other methods specified in your proxy card or voting instruction card as promptly as possible so that your Pebblebrook common shares and/or your LaSalle common shares will be represented and voted at the Pebblebrook special meeting or the LaSalle special meeting, as applicable.

Please refer to your proxy card or voting instruction card forwarded by your broker or other nominee to see which voting options are available to you.

The method by which you submit a proxy will in no way limit your right to vote at the Pebblebrook special meeting or the LaSalle special meeting, as applicable, if you later decide to attend the meeting in person. However, if your Pebblebrook common shares or your LaSalle common shares are held in the name of a broker or other nominee, you must obtain a legal proxy, executed in your favor, from your broker or other nominee, to be able to vote in person at the Pebblebrook special meeting or the LaSalle special meeting, as applicable.

**2)** **Make your merger consideration election.**

See the answer to the question above titled, "If I am a LaSalle shareholder, do I need to make an election in order to receive the cash consideration?".

**Q:** **How will my proxy be voted?**

**A:** All Pebblebrook common shares entitled to vote and represented by properly completed proxies received prior to the Pebblebrook special meeting, and not revoked, will be voted at the Pebblebrook special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your Pebblebrook common shares should be voted on a matter, the Pebblebrook common shares represented by your proxy will be voted as the Pebblebrook Board recommends and therefore **"FOR"** the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement, and **"FOR"** the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate in the view of the Pebblebrook Board, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement if there are not sufficient votes at the time of such adjournment to approve such proposal. If you hold your shares in street name and do not provide voting instructions to your broker or other nominee, your Pebblebrook common shares will **NOT** be voted at the Pebblebrook special meeting and will be considered broker non-votes.

All LaSalle common shares entitled to vote and represented by properly completed proxies received prior to the LaSalle special meeting, and not revoked, will be voted at the LaSalle special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your LaSalle common shares should be voted on a matter, the LaSalle common shares represented by your proxy will be voted as the LaSalle Board recommends and therefore **"FOR"** the proposal to approve the company merger and the other transactions contemplated by

Table of Contents

the merger agreement, "**FOR**" the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby and "**FOR**" the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement. If you hold your shares in street name and do not provide voting instructions to your broker or other nominee, your LaSalle common shares will **NOT** be voted at the LaSalle special meeting and will be considered broker non-votes. *Abstentions and broker non-votes will have the same effect on the outcome of the merger proposal as votes AGAINST such proposal.*

**Q:**

**Can I revoke my proxy or change my vote after I have delivered my proxy?**

**A:**

Yes. You may revoke your proxy or change your vote at any time before your proxy is voted at the Pebblebrook special meeting or the LaSalle special meeting, as applicable. If you are a holder of record, you can do this in any of the following three ways:

by sending a written notice to the corporate secretary of Pebblebrook or the corporate secretary of LaSalle, as applicable, in time to be received before the Pebblebrook special meeting or the LaSalle special meeting, as applicable, stating that you would like to revoke your proxy;

by completing, signing and dating another proxy card and returning it by mail in time to be received before the Pebblebrook special meeting or the LaSalle special meeting, as applicable, or by submitting a later dated proxy by the Internet or telephone in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

by attending the Pebblebrook special meeting or the LaSalle special meeting, as applicable, and voting in person. Simply attending the Pebblebrook special meeting or the LaSalle special meeting, as applicable, without voting will not revoke your proxy or change your vote.

If your Pebblebrook common shares or your LaSalle common shares are held in an account at a broker or other nominee and you desire to change your vote or vote in person, you should contact your broker or other nominee for instructions on how to do so.

**Q:**

**What does it mean if I receive more than one set of voting materials for the Pebblebrook special meeting or the LaSalle special meeting?**

**A:**

You may receive more than one set of voting materials for the Pebblebrook special meeting and/or the LaSalle special meeting, as applicable, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your Pebblebrook common shares or your LaSalle common shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold your Pebblebrook common shares or your LaSalle common shares. If you are a holder of record and your Pebblebrook common shares or your LaSalle common shares are registered in more than one name, you may receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or, if available, please submit your proxy by telephone or over the Internet.

**Q:**

**What happens if I am a shareholder of both Pebblebrook and LaSalle?**

**A:**

You will receive separate proxy cards for each entity. Please complete, sign, date and return each proxy card you receive in the appropriate preaddressed postage-paid envelope or, if available, by submitting a proxy by one of the other methods specified in your proxy card or voting instruction card for each entity.

Table of Contents

**Q: If I choose to attend the Pebblebrook special meeting or the LaSalle special meeting in person, will I need to bring identification and other documentation?**

**A:** Yes. Please bring proper identification, together with proof that you are a record owner of Pebblebrook common shares or LaSalle common shares, as the case may be. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially owned Pebblebrook common shares or LaSalle common shares, as applicable, on the record date.

However, if your Pebblebrook common shares or your LaSalle common shares are held in the name of a broker or other nominee, you must obtain a legal proxy, executed in your favor, from your broker or other nominee, to be able to vote in person at the Pebblebrook special meeting or the LaSalle special meeting, as applicable.

**Q: Will a proxy solicitor be used?**

**A:** Yes. Pebblebrook has engaged Okapi Partners LLC, which we refer to as Okapi, to assist in the solicitation of proxies for the Pebblebrook special meeting, and Pebblebrook estimates it will pay Okapi a fee of approximately \$30,000, plus an additional \$100,000 upon the completion of the mergers. Pebblebrook has also agreed to reimburse Okapi for reasonable expenses incurred in connection with the proxy solicitation and to indemnify Okapi against certain losses, claims, damages, liabilities and expenses. In addition to mailing proxy solicitation material, Pebblebrook's trustees, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Pebblebrook's trustees, officers or employees for such services.

LaSalle has engaged MacKenzie Partners, Inc., which we refer to as MacKenzie, to assist in the solicitation of proxies for the LaSalle special meeting and LaSalle estimates it will pay MacKenzie a fee of approximately \$75,000 (\$30,000 of which was previously paid in connection with the solicitation of proxies with respect to the Agreement and Plan of Merger, dated as of May 20, 2018, by and among BRE Landmark L.P., BRE Landmark L.P., BRE Landmark Acquisition L.P., LaSalle and LaSalle OP, which we refer to as the Blackstone merger agreement, which was terminated on September 6, 2018), plus an additional fee of \$100,000 upon the completion of the mergers, plus reimbursement of reasonable expenses. LaSalle has also agreed to indemnify MacKenzie against certain losses, claims, damages, liabilities and expenses. In addition to mailing proxy solicitation material, LaSalle's trustees, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to LaSalle's trustees, officers or employees for such services.

**Q: Who can answer my questions?**

**A:** If you have any questions about the mergers or how to submit your proxy or need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

If you are a Pebblebrook shareholder:  
Okapi Partners LLC  
1212 Avenue of the Americas, 24<sup>th</sup> Floor  
New York, NY 10036  
(212) 929-5500  
Toll free: 855-305-0855  
Email: info@okapipartners.com

If you are a LaSalle shareholder:  
MacKenzie Partners, Inc.  
1407 Broadway, 27<sup>th</sup> Floor  
New York, New York 10018  
Toll free: 800-322-2885  
Call collect: 212-929-5500  
Email: proxy@mackenziepartners.com

If your broker or other nominee holds your shares, you should also contact your broker or other nominee for additional information.

Table of Contents

**SUMMARY**

*The following summary highlights some of the information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement, the mergers and the other transactions contemplated by the merger agreement, Pebblebrook and LaSalle encourage you to read carefully this entire joint proxy statement/prospectus, including the attached Annexes and the other documents to which we have referred you because this section does not provide all the information that might be important to you with respect to the mergers at the applicable special meeting. See also the section entitled "Where You Can Find More Information and Incorporation by Reference" beginning on page 252. We have included page references to direct you to a more complete description of the topics presented in this summary.*

**The Companies**

***Pebblebrook Hotel Trust and Pebblebrook Hotel, L.P. (See page 63)***

Pebblebrook Hotel Trust  
7315 Wisconsin Avenue, Suite 1100 West  
Bethesda, Maryland 20814  
(240) 507-1300  
www.pebblebrookhotels.com

Pebblebrook Hotel Trust is an internally managed hotel investment company, organized as a Maryland real estate investment trust in October 2009 to opportunistically acquire and invest in hotel properties located primarily in major U.S. cities, with an emphasis on the major gateway coastal markets. As of June 30, 2018, the Company owned 28 hotels with a total of 6,972 guest rooms.

Pebblebrook common shares are listed on the NYSE, trading under the symbol "PEB".

Pebblebrook Hotel, L.P.  
7315 Wisconsin Avenue, Suite 1100 West  
Bethesda, Maryland 20814  
(240) 507-1300

Substantially all of Pebblebrook's assets are held by, and all of its operations are conducted through, Pebblebrook Hotel, L.P., which we refer to as Pebblebrook OP. Pebblebrook is the sole general partner of Pebblebrook OP. At June 30, 2018, Pebblebrook owned 99.7% of the Pebblebrook OP common units issued by Pebblebrook OP. The remaining 0.3% of Pebblebrook OP common units are owned by other limited partners of Pebblebrook OP.

***LaSalle Hotel Properties and LaSalle Hotel Operating Partnership, L.P. (See page 63)***

LaSalle Hotel Properties  
7550 Wisconsin Avenue, 10<sup>th</sup> Floor  
Bethesda, Maryland 20814  
(301) 941-1500  
www.lasallehotels.com

LaSalle Hotel Properties was organized as a Maryland real estate investment trust on January 15, 1998, and primarily buys, owns, redevelops and leases upscale and luxury full-service hotels located in convention, resort and major urban business markets. LaSalle is a self-administered REIT.

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

LaSalle common shares are listed on the NYSE, trading under the symbol "LHO".

LaSalle Hotel Operating Partnership, L.P.  
7550 Wisconsin Avenue, 10<sup>th</sup> Floor  
Bethesda, Maryland 20814  
(301) 941-1500

LaSalle OP was formed as a Delaware limited partnership on January 13, 1998. LaSalle is the general partner of the LaSalle OP, and, as of June 30, 2018, owned through a combination of direct and indirect interests, approximately 99.9% of the common units of LaSalle OP. The remaining 0.1% is held by limited partners who owned 145,223 LaSalle OP common units as of June 30, 2018.

### ***The Combined Company (See page 64)***

Following completion of the mergers, the business and assets of the combined company will be owned and operated by Pebblebrook and the surviving partnership. References to the combined company are to Pebblebrook after the effective time of the mergers. Pebblebrook is a Maryland real estate investment trust. The combined company after the completion of the mergers is expected to have a pro forma enterprise value of approximately \$7.6 billion and a total market capitalization of approximately \$4.3 billion (in each case based on the closing price of Pebblebrook common shares on October 25, 2018 of \$32.71, and assuming that all LaSalle shareholders elect to receive the maximum cash amount). The combined company's hotel portfolio after the completion of the mergers will consist of 66 properties (assuming that the sale of the three LaSalle hotels under contract for sale is completed as expected immediately prior to completion of the mergers), and the combined company will have a large presence in key urban markets in the United States, including significant exposure to major market West Coast cities with strong long-term growth and high barriers to entry.

The business of the combined company will be operated through Pebblebrook OP and its subsidiaries, including the surviving partnership. After giving effect to the mergers, Pebblebrook OP will hold a limited partnership interest in the surviving partnership, and a wholly owned subsidiary of Pebblebrook OP will be the general partner of the surviving partnership. The Pebblebrook parties will have the full, exclusive and complete responsibility for and discretion in the day-to-day management and control of Pebblebrook OP and the surviving partnership.

The common shares of the combined company will continue to be listed on the NYSE, trading under the symbol "PEB".

The combined company's principal executive offices will be located at Pebblebrook's current offices, 7315 Wisconsin Avenue, Suite 1100 West, Bethesda, Maryland 20814.

### **The Mergers**

#### ***The Merger Agreement (See page 203)***

The Pebblebrook parties and the LaSalle parties have entered into the merger agreement attached as Annex A to this joint proxy statement/prospectus, which is incorporated herein by reference. Pebblebrook and LaSalle encourage you to carefully read the merger agreement in its entirety because it is the principal document governing the mergers and related transactions.

The merger agreement provides that the completion of the mergers will take place at 12:00 p.m., Eastern Time, at the offices of Goodwin Procter LLP, 620 Eighth Avenue, New York, New York 10018 within three business days following the date on which the last of the conditions to completion of the mergers has been satisfied or waived.

Table of Contents

*The Mergers (See page 76)*

Subject to the terms and conditions of the merger agreement, at the effective time of the company merger, LaSalle will merge with and into Merger Sub, with Merger Sub surviving the company merger as the surviving entity, which will be a wholly owned subsidiary of Pebblebrook.

The merger agreement also provides for the merger of Merger OP with and into LaSalle OP, with LaSalle OP surviving the merger as the surviving partnership. At the effective time of the partnership merger, Merger OP GP, a wholly owned subsidiary of Pebblebrook OP, will become the general partner of the surviving partnership, and Pebblebrook OP will be the limited partner of the surviving partnership.

*The Merger Consideration (See page 204)*

At the effective time of the company merger, each issued and outstanding LaSalle common share will be converted into the right to receive, at the election of the holder: (i) 0.92 validly issued, fully paid and nonassessable Pebblebrook common share or (b) \$37.80 in cash subject to certain adjustments and to any applicable withholding tax. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration will be equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the company merger. LaSalle common shares held by Pebblebrook will be excluded from the cash election in the company merger, effectively increasing the maximum number of LaSalle common shares that could receive the cash election price to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the effective time of the company merger.

At the effective time of the company merger, each LaSalle Series I preferred share will be converted into the right to receive one validly issued, fully paid and nonassessable Pebblebrook Series E preferred share and each LaSalle Series J preferred share will be converted into the right to receive one validly issued, fully paid and nonassessable Pebblebrook Series F preferred share.

Additionally, immediately prior to the effective time of the company merger, pursuant to the terms of the merger agreement, (i) each outstanding restricted LaSalle common share will vest and all restrictions thereon will lapse, and each such share will be cancelled in exchange for the right to submit an election and receive the merger consideration; (ii) each outstanding LaSalle performance award will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement, and each such LaSalle common share will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration; and (iii) each outstanding award of deferred LaSalle common shares will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration for the number of LaSalle common shares subject to such award (prior to its cancellation).

At the effective time of the partnership merger, pursuant to the terms of the merger agreement, (i) each unit of general partner interest in LaSalle OP shall be cancelled and no payment shall be made thereon; (ii) all of the LaSalle Series I preferred units shall be converted into the right to receive an equal number of Pebblebrook Series E preferred units; (iii) all of the LaSalle Series J preferred units shall be converted into the right to receive an equal number of Pebblebrook Series F preferred units; and (iv) each LaSalle OP common unit held by limited partners in LaSalle OP (other than LaSalle or its affiliates) shall be cancelled and converted into the right to receive, at the holder's election, either Pebblebrook OP common units in an amount equal to the exchange ratio, without interest, or LaSalle common shares in an amount equal to the exchange ratio, without interest, which shares would then be cancelled in exchange for the right to receive the share consideration.



## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

LaSalle shareholders and LaSalle OP unitholders that receive Pebblebrook common shares will not receive any fractional Pebblebrook common shares or fractional Pebblebrook OP common units in the mergers and instead will be paid cash (without interest) in lieu of any fractional share or unit to which they would otherwise be entitled.

Upon completion of the mergers, we estimate that ownership of the issued and outstanding common shares of the combined company will be as follows (in each case assuming that all of the limited partners (excluding LaSalle and its affiliates) of LaSalle OP elect to receive Pebblebrook common shares instead of Pebblebrook OP common units):

If all LaSalle shareholders elect to receive the maximum cash amount, then Pebblebrook shareholders will own approximately 52.8% and former LaSalle security holders will own approximately 47.2%; and

If all LaSalle shareholders elect to receive Pebblebrook common shares, then Pebblebrook shareholders will own approximately 42.7% and former LaSalle security holders will own approximately 57.3%.

You are urged to obtain current market prices of Pebblebrook common shares and LaSalle common shares. You are cautioned that the trading price of the common shares of the combined company after the mergers may be affected by factors different from those currently affecting the trading prices of Pebblebrook common shares and LaSalle common shares, and therefore, the historical trading prices of Pebblebrook common shares and LaSalle common shares may not be indicative of the trading price of the common shares of the combined company. See "Risk Factors Risks Related to the Mergers" beginning on page 50.

### ***Election Procedures (See page 205)***

Each holder of record of LaSalle common shares (holding directly through LaSalle's transfer agent) (other than excluded shares) or of a LaSalle compensatory award issued and outstanding at the close of business on the record date will have the right to submit an election to receive the cash consideration or the common share consideration by delivering an election form to the exchange agent prior to 5:00 p.m., Eastern Time, on November 26, 2018, which is the business day immediately prior to the LaSalle special meeting, which we refer to as the election deadline. Concurrently with the mailing of this joint proxy statement/prospectus, LaSalle will mail the election form to the record holders of LaSalle common shares and LaSalle compensatory awards as of the record date.

An election may be revoked by a record holder of LaSalle common shares by delivering written notice to the exchange agent prior to the election deadline. If an election is revoked by a record holder, the LaSalle common shares subject to the revoked election will be deemed to have elected to receive the share consideration unless a new election is made prior to the election deadline. After an election is made, any subsequent transfer of the LaSalle common shares subject to such election shall automatically revoke the election.

Each LaSalle common share eligible to receive the merger consideration for which an election is not properly made by the election deadline will be deemed to have elected to receive the share consideration and will only be entitled to receive the share consideration.

LaSalle common shareholders who hold their LaSalle common shares in "street name" (prior to the election deadline) through a bank, brokerage firm or other nominee will receive instructions from their bank, brokerage firm or other nominee as to how to submit a form of election. Therefore, LaSalle common shareholders should carefully read any materials received from their bank, brokerage firm or other nominee, and should follow the procedures established by their bank, brokerage firm or other nominee in order to make an election.

Table of Contents

***Proration (See page 206)***

Under the terms of the merger agreement, the number of LaSalle common shares that is eligible to receive the cash consideration is subject to proration. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration, which we refer to as the maximum cash shares, is equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the company merger (including LaSalle common shares relating to the LaSalle compensatory awards that become or are deemed to be issued or outstanding). LaSalle common shares held by Pebblebrook will be excluded from the cash election in the company merger, effectively increasing the maximum cash shares to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the effective time of the company merger and will not be eligible to be converted into the right to receive the cash consideration.

Within three business days after the effective time of the company merger, the exchange agent will effect the allocation among the holders of LaSalle common shares of the rights to receive the cash consideration and the share consideration.

In effecting this allocation, if the aggregate number of cash election shares exceeds the number of maximum cash shares, the number of cash election shares designated by any holder of LaSalle common shares as a cash election will be subject to pro rata reduction as follows: For each such cash election, the number of such holder's LaSalle common shares that will be converted into the right to receive the cash consideration will be equal to (1) the number of such holder's cash election shares multiplied by (2) the merger cash proration factor, rounded down to the nearest whole LaSalle common share. The merger cash proration factor means a fraction, the numerator of which is the number of maximum cash shares and the denominator of which is the aggregate number of all cash election shares. Any cash election shares that were not converted into the right to receive cash consideration in accordance with such calculation will be converted into the right to receive the share consideration.

If the aggregate number of cash election shares is less than or equal to the number of maximum cash shares, then all cash election shares will be converted into the right to receive the cash consideration and each other LaSalle common share eligible to receive the merger consideration will be converted into the right to receive the share consideration.

***Financing Related to the Mergers (See page 233)***

The mergers are not conditioned upon Pebblebrook or Pebblebrook OP having received any financing at or prior to the effective time of the mergers. However, in connection with the mergers and the transactions contemplated by the merger agreement, Pebblebrook and Pebblebrook OP have entered into a bridge loan commitment letter with Bank of America, N.A., which we refer to as Bank of America, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, which we refer to as BAML, pursuant to which Bank of America agreed to be the sole administrative agent for a \$2.4 billion senior unsecured bridge loan facility to Pebblebrook OP for up to \$2.4 billion, which we refer to as the bridge loan facility, subject to the conditions set forth in the bridge loan commitment letter. MLPFS agreed to act as sole lead arranger and sole bookrunner for the bridge loan facility, and to form a syndicate of financial institutions, including Bank of America, to fund the bridge loan facility, which we refer to collectively as the lenders.

If drawn upon, the proceeds from the bridge loan facility may be used to (i) pay a portion of the aggregate cash consideration, (ii) fund the refinancing of certain of the existing third-party indebtedness for borrowed money of Pebblebrook OP, the LaSalle parties and their respective subsidiaries, which we refer to as the refinancing, and (iii) pay fees and expenses incurred in connection with the foregoing, the bridge loan facility or related financings and the mergers. The bridge loan facility will be structured as a syndicated 364-day unsecured term loan facility available in a single draw on the completion date

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

of the mergers. Pebblebrook and Pebblebrook OP have the right to use alternative financing in connection with the consummation of the mergers and are under no obligation to draw upon the bridge loan facility from the lenders. Pebblebrook and Pebblebrook OP currently are exploring the availability of alternative financing, including through existing unsecured credit facilities or other financing arrangements.

The bridge loan commitment letter expires on the earliest of (i) March 6, 2019, (ii) the completion date of the merger without the use of the bridge loan facility and (iii) the date that the merger agreement is terminated by Pebblebrook or its affiliates or expires in accordance with its terms.

See "Financing Related to the Mergers Debt Financing Bridge Loan Commitment Letter" beginning on page 233.

### **Recommendation of the Pebblebrook Board of Trustees (See page 122)**

The Pebblebrook Board has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of Pebblebrook and its shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement. Certain factors considered by the Pebblebrook Board in reaching its decision to approve the merger agreement, the mergers and the other transactions contemplated by the merger agreement can be found in the section entitled "The Mergers Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 122.

The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote **"FOR"** the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and **"FOR"** the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

### **Recommendation of the LaSalle Board of Trustees (See page 118)**

The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization), (i) determined that the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle and LaSalle shareholders, (ii) authorized and approved each of the mergers and the other transactions contemplated by the merger agreement and (iii) approved and adopted the merger agreement.

The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization) recommends that the LaSalle shareholders vote **"FOR"** the proposal to approve the company merger and the other transactions contemplated by the merger agreement, **"FOR"** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby, and **"FOR"** the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

### **Summary of Risks Related to the Mergers (See page 50)**

You should consider carefully the risk factors described below together with all of the other information included in this joint proxy statement/prospectus before deciding how to vote. The risks

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

related to the mergers and the other transactions contemplated by the merger agreement are described under the section "Risk Factors Risks Related to the Mergers," beginning on page 50.

Neither the exchange ratio nor the cash consideration will be adjusted in the event of any change in the prices of either Pebblebrook common shares or LaSalle common shares.

Pebblebrook shareholders will be diluted by the issuance of Pebblebrook common shares pursuant to the merger agreement.

Completion of the mergers is subject to many conditions and if these conditions are not satisfied or waived, the mergers will not be completed, which could result in the requirement that Pebblebrook pay to LaSalle a termination fee of \$81 million or LaSalle pay to Pebblebrook a termination fee of \$112 million.

Failure to complete the mergers could adversely affect the common share prices and future business and financial results of Pebblebrook and LaSalle.

The pendency of the mergers could adversely affect the business and operations of Pebblebrook and LaSalle.

The merger agreement contains provisions that could discourage a potential competing acquirer of LaSalle or Pebblebrook or could result in a competing acquisition proposal being at a lower price than it might otherwise be.

If the mergers are not consummated on or before March 6, 2019, which we refer to as the end date, either Pebblebrook or LaSalle may terminate the merger agreement.

Some of the trustees and executive officers of LaSalle have interests in the mergers that are different from, or in addition to, those of other LaSalle shareholders.

### **The Pebblebrook Special Meeting (See page 65)**

The Pebblebrook special meeting will be held on November 27, 2018, beginning at 9:00 a.m., Eastern Time, at the offices of Hunton Andrews Kurth LLP, 2200 Pennsylvania Avenue NW, Washington, DC 20037.

At the Pebblebrook special meeting, Pebblebrook shareholders will be asked to consider and vote upon the following matters:

1. a proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement; and
2. a proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

Approval of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of a majority of the votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of at least a majority of the votes cast on such proposal.

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

At the close of business on the record date, trustees and executive officers of Pebblebrook and their affiliates were entitled to vote 1,350,042 Pebblebrook common shares, or approximately 1.96% of the Pebblebrook common shares issued and outstanding on that date. Pebblebrook currently expects

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

that all Pebblebrook trustees and executive officers will vote their Pebblebrook common shares in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement as well as the other proposal to be considered at the Pebblebrook special meeting, although none of them is contractually obligated to do so.

Your vote as a Pebblebrook shareholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the Pebblebrook special meeting in person.

### **The LaSalle Special Meeting (See page 70)**

The LaSalle special meeting will be held on November 27, 2018, beginning at 10:00 a.m., Eastern Time, at the Sofitel Washington DC Lafayette Square, 806 15<sup>th</sup> Street NW, Washington, DC 20005.

At the LaSalle special meeting, LaSalle shareholders will be asked to consider and vote upon the following matters:

1. a proposal to approve the company merger and the other transactions contemplated by the merger agreement;
2. a non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby; and
3. a proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

Approval of the proposal to approve the company merger and the other transactions contemplated by the merger agreement requires the affirmative vote of at least 66<sup>2</sup>/<sub>3</sub>% of all the votes entitled to be cast on such proposal.

Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby requires the affirmative vote of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement requires, whether or not a quorum is present, the affirmative vote of at least a majority of all votes cast on such proposal.

At the close of business on the record date, trustees and executive officers of LaSalle and their affiliates were entitled to vote 595,590 LaSalle common shares, or approximately 0.5% of LaSalle common shares issued and outstanding on that date. LaSalle currently expects that all LaSalle trustees and executive officers will vote their LaSalle common shares in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement as well as the other proposal to be considered at the LaSalle special meeting, although none of them is contractually obligated to do so.

In addition, at the close of business on the record date, Pebblebrook OP owned and was entitled to vote 10,809,215 LaSalle common shares, or approximately 9.8% of the LaSalle common shares issued and outstanding on that date. In the merger agreement, Pebblebrook OP agreed to vote all of its LaSalle common shares in favor of the company merger.

Table of Contents

Your vote as a LaSalle shareholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the LaSalle special meeting in person.

**Opinions of Financial Advisors**

*Opinion of Pebblebrook's Financial Advisor (See page 124)*

On September 6, 2018, in connection with the company merger, Raymond James & Associates, Inc., or Raymond James, rendered its written opinion to the Pebblebrook Board, as to the fairness, from a financial point of view, of the merger consideration to be paid by Pebblebrook in the company merger pursuant to the merger agreement, as of September 6, 2018, based upon and subject to the procedures followed, assumptions made, matters considered, qualifications and limitations on the review undertaken and other matters considered by Raymond James in preparing its opinion.

Raymond James' opinion was directed to the Pebblebrook Board and only addressed the fairness from a financial point of view of the merger consideration to be paid by Pebblebrook in the company merger pursuant to the merger agreement and does not address any other aspect or implication of the mergers. The summary of Raymond James' opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as *Annex D* to this joint proxy statement/prospectus and sets forth the procedures followed, assumptions made, matters considered, qualifications and limitations on the review undertaken and other matters considered by Raymond James in preparing its opinion. **However, neither Raymond James' opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/prospectus are intended to be, and do not constitute, advice or a recommendation to the Pebblebrook Board or any shareholder as to how to act or vote with respect to the mergers or related matters.** For the opinion of Raymond James, see "The Mergers Opinion of Pebblebrook's Financial Advisor" beginning on page 124 and *Annex B*.

*Opinions of LaSalle's Financial Advisors (See page 131)*

*Opinion of Citigroup Global Markets Inc.*

In connection with the transactions contemplated by the merger agreement, on September 6, 2018, Citigroup Global Markets Inc., which we refer to as Citi, delivered an oral opinion, subsequently confirmed by the delivery of a written opinion dated September 6, 2018, to the LaSalle Board as to the fairness, from a financial point of view and as of the date of the opinion, to the holders (other than Pebblebrook and its affiliates) of the outstanding LaSalle common shares of the aggregate consideration (as defined below) to be paid to such holders pursuant to the terms and subject to the conditions set forth in the merger agreement. As more fully described in the merger agreement, each outstanding LaSalle common share (other than any LaSalle common shares to be cancelled and retired or converted in accordance with Section 2.5(d) or Section 2.5(e) of the merger agreement) will be converted into the right to receive, at the election of the holder thereof, either 0.92 Pebblebrook common shares or \$37.80 in cash, subject to proration and certain other procedures and limitations contained in the merger agreement, as to which procedures and limitations Citi expressed no opinion, and taken in the aggregate, subject to adjustment pursuant to Section 5.16(a) of the merger agreement, which we refer to as the aggregate consideration. The full text of Citi's written opinion dated September 6, 2018, which describes the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, is attached as *Annex C* to this joint proxy statement/prospectus and is incorporated by reference. The description of Citi's opinion set forth in the section entitled "The Mergers Opinions of LaSalle's Financial Advisors Opinion of Citi" is qualified in its entirety by reference to the full text of Citi's opinion. **Citi's opinion was provided for the information of the LaSalle Board (in its capacity as such) in connection with its evaluation of the aggregate consideration from a financial point of view and did not address any other terms, aspects or**

Table of Contents

**implications of the transactions contemplated by the merger agreement. Citi was not requested to consider, and its opinion did not address, LaSalle's underlying business decision to effect the mergers, the relative merits of the mergers as compared to any alternative business strategies that might exist for LaSalle or the effect of any other transaction in which LaSalle might engage. Citi's opinion is not intended to be and does not constitute a recommendation to any LaSalle shareholder as to how such LaSalle shareholder should vote or act on any matters relating to the proposed mergers or otherwise.** Pursuant to an engagement letter between LaSalle and Citi, LaSalle has agreed to pay Citi an aggregate fee of approximately \$22 million to \$23 million, based on the information available as of the delivery of its opinion described in the section entitled "The Mergers Opinions of LaSalle's Financial Advisors Opinion of Citi," \$6.5 million of which became payable at or prior to the announcement of the mergers (including \$1.5 million of which that became payable upon Citi's delivery of the opinion described in the section entitled "The Mergers Opinions of LaSalle's Financial Advisors Opinion of Citi") and the remainder of which is contingent upon completion of the company merger.

*Opinion of Goldman Sachs & Co. LLC*

At a meeting of the LaSalle Board held on September 6, 2018, Goldman Sachs & Co. LLC, which we refer to as Goldman Sachs, delivered to the LaSalle Board its opinion, subsequently confirmed in writing, as of September 6, 2018 and based upon and subject to the factors and assumptions set forth therein, as to the fairness, from a financial point of view and as of the date of the opinion, to the holders (other than Pebblebrook and its affiliates) of the outstanding LaSalle common shares of the aggregate consideration to be paid to such holders pursuant to the terms and subject to the conditions set forth in the merger agreement. As more fully described in the merger agreement, each outstanding LaSalle common share (other than any LaSalle common shares to be cancelled and retired or converted in accordance with Section 2.5(d) or Section 2.5(e) of the merger agreement) will be converted into the right to receive, at the election of the holder thereof, either 0.92 Pebblebrook common shares or \$37.80 in cash, subject to proration and certain other procedures and limitations contained in the merger agreement, as to which procedures and limitations Goldman Sachs expressed no opinion, and taken in the aggregate, subject to adjustment pursuant to Section 5.16(a) of the merger agreement, which, as noted above, we refer to as the aggregate consideration.

The full text of the written opinion of Goldman Sachs, dated September 6, 2018, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as *Annex D* to this joint proxy statement/prospectus and is incorporated by reference. Goldman Sachs provided advisory services and its opinion for the information and assistance of the LaSalle Board in connection with its consideration of the transactions contemplated by the merger agreement. The Goldman Sachs opinion is not a recommendation as to how any holder of LaSalle common shares should vote or make any election with respect to the transactions contemplated by the merger agreement or any other matter. Pursuant to an engagement letter between LaSalle and Goldman Sachs, LaSalle has agreed to pay Goldman Sachs an aggregate fee of approximately \$22 million to \$23 million, based on the information available as of the delivery of its opinion described in the section entitled "The Mergers Opinions of LaSalle's Financial Advisors Opinion of Goldman Sachs," \$3.5 million of which became payable at or prior to the announcement of the mergers and the remainder of which is contingent upon completion of the company merger.

For further information, see the section entitled "The Mergers Opinions of LaSalle's Financial Advisors" and *Annex C* and *Annex D*.

**Treatment of LaSalle's Equity Awards (See page 204)**

At the effective time of the company merger, (i) each outstanding LaSalle restricted share will vest and all restrictions thereon will lapse, and each such share will be cancelled in exchange for the right to submit an election and receive the merger consideration; (ii) each outstanding LaSalle performance



Table of Contents

award will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement, and each such LaSalle common share will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration; and (iii) each outstanding award of LaSalle deferred shares will be cancelled and each such share will be converted into the right to submit an election and receive the merger consideration. For more information regarding the treatment and valuation of LaSalle equity awards, see "The Mergers Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers" beginning on page 155 and "The Merger Agreement Treatment of LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares" beginning on page 204.

**Trustees and Management of the Combined Company After the Mergers (See page 235)**

All seven members of the Pebblebrook Board will continue to serve as trustees of the combined company. No members of the LaSalle Board will serve as trustees of the combined company.

The executive officers of Pebblebrook will continue to serve as the executive officers of the combined company, with Mr. Bortz continuing to serve as President, Chief Executive Officer and Chairman of the Board of the combined company. See "Trustees and Management of the Combined Company After the Mergers" beginning on page 235.

**Interests of Pebblebrook's Trustees and Executive Officers in the Mergers (See page 154)**

None of Pebblebrook's executive officers or members of the Pebblebrook Board is party to an arrangement with Pebblebrook, or participates in any Pebblebrook plan, program or arrangement, that provides such executive officer or board member with financial incentives that are contingent upon the consummation of the mergers.

In anticipation of Pebblebrook entering into the merger agreement, Pebblebrook and each of its three executive officers entered into waiver agreements pursuant to which the executive officers agreed that the mergers shall not be deemed to be a "Change in Control" as defined in the executives' change in control severance agreements and all of the executives' outstanding compensatory equity award agreements. As a result of entering into these waiver agreements, each executive officer has waived (i) the payment of any amounts of cash due to the executive and (ii) accelerated vesting of any unvested performance units, common shares or LTIP Class B Units, in each case that may otherwise have been due as a result of the mergers occurring.

**Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers (See page 155)**

LaSalle trustees, executive officers and employees have certain interests in the mergers that are different from, or in addition to, the interests of LaSalle shareholders generally. These interests may create potential conflicts of interest. The LaSalle Board was aware of these interests and considered them, among other matters, in reaching its decision to approve the mergers and the merger agreement. These interests include the following:

In accordance with the terms of the trustee fee deferral program, the merger agreement provides that each award of LaSalle deferred shares outstanding immediately prior to the effective time of the merger will automatically be cancelled in exchange for the right to submit an election and receive the merger consideration, without interest and less any required tax withholdings. LaSalle deferred shares issued under the trustee fee deferral program represent amounts previously earned and voluntarily deferred by LaSalle non-management trustees.

In accordance with the LaSalle 2014 Equity Incentive Plan, as amended, and the terms of the LaSalle restricted common share agreements, the merger agreement provides that, effective

Table of Contents

immediately prior to the effective time of the company merger, each LaSalle restricted common share that is outstanding immediately prior to the effective time of the company merger, including those held by LaSalle executive officers, will automatically become fully vested and non forfeitable, and all restrictions and repurchase rights will lapse, and LaSalle common shares represented thereby will be considered outstanding for all purposes under the merger agreement. Each holder of LaSalle restricted common shares will have the right to submit an election and receive the merger consideration, less any required tax withholdings.

The LaSalle performance share award agreements provide that the number of LaSalle common shares subject to each award that would become vested upon a change in control is based on the measurement of certain performance criteria as of the closing date of a change in control. Accordingly, the number of earned LaSalle performance shares under each such LaSalle performance share award could range between zero to 200% of the target number of LaSalle common shares subject to such LaSalle performance share award. As of the time the merger agreement was executed, LaSalle calculated that each of Messrs. Barnello, Fuller, Young and Gaum, whom we refer to as the LaSalle senior officers, would be entitled to receive 179%, 174%, 180% and 172%, respectively, of the target number of LaSalle common shares under the pre-existing terms of their LaSalle performance share award agreements had the determination been made at the time the merger agreement was executed. Following the execution of the merger agreement, LaSalle and Pebblebrook evaluated the number of LaSalle common shares that could be earned and vested upon the effective time of the company merger and, in order to avoid uncertainty, LaSalle and Pebblebrook amended the merger agreement on September 18, 2018 to provide that, immediately prior to the merger effective time, each outstanding LaSalle performance share award, including those held by LaSalle's senior officers, will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement. Immediately prior to the effective time of the company merger, each earned LaSalle performance share will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration, without interest and less any required tax withholdings. Additionally, in accordance with the terms of the LaSalle performance share award agreements, in connection with the mergers, each holder of LaSalle performance share awards will receive a cash amount equal to all accrued and unpaid cash dividends that would have been paid on the earned LaSalle performance shares as if such earned LaSalle performance shares had been issued and outstanding from the grant date through the effective time of the company merger, without interest and less any required tax withholdings.

As previously disclosed, LaSalle entered into an amended and restated change in control severance agreement with Mr. Barnello, effective October 19, 2009, and change in control severance agreements with Mr. Fuller, effective April 25, 2016, Mr. Young, effective November 3, 2009 and Mr. Gaum, effective December 17, 2013. Each severance agreement provides for certain severance payments and benefits upon termination by LaSalle without "cause" (as defined in the applicable severance agreement) or by the officer for "good reason" (as defined in the applicable severance agreement) in connection with, or within one year following, a change in control. The merger agreement provides that the occurrence of the effective time of the company merger will be deemed to constitute a change in control under each severance agreement. Immediately after the effective time of the company merger, the employment of each of the LaSalle senior officers will be deemed to have been terminated by LaSalle without "cause" as of the completion of the merger and each LaSalle senior officer will be entitled to certain severance payments and benefits as provided under the terms of the applicable severance agreements. Following completion of the mergers, Pebblebrook will cause the surviving entity to pay all severance payments and benefits that each LaSalle senior officer would be entitled to receive under the applicable severance agreement upon expiration of the

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

seven-day revocation period following the execution and delivery by the applicable LaSalle senior officer of a release agreement. None of the LaSalle senior officers have any employment arrangements or agreements with Pebblebrook, the surviving entity or any of their affiliates and Pebblebrook has publicly stated that its existing executive team will continue to manage the combined company following completion of the mergers.

In order to reduce uncertainty in connection with the proposed mergers, the merger agreement provides that Pebblebrook will cause the surviving entity to pay pro-rated annual bonuses for the 2018 performance year for certain LaSalle employees (other than the LaSalle senior officers) no later than January 15, 2019 at 125% of the applicable employee's target bonus amount. The amount due to any former LaSalle employee who is terminated by Pebblebrook or the surviving entity without "cause" prior to January 15, 2019 will be pro-rated through the termination date and paid upon expiration of the seven-day revocation period following the execution and delivery by the applicable employee of a release agreement.

Following LaSalle's receipt of an unsolicited proposal for the acquisition of LaSalle in March 2018, the LaSalle Board adopted an employee retention bonus plan to assure that LaSalle will retain and have the continued dedication of employees during a period of uncertainty at LaSalle. The aggregate value of the awards payable to certain LaSalle employees (other than the LaSalle senior officers) under the employee retention bonus plan is approximately \$7,500,000. Pebblebrook will cause the surviving entity to pay, following the completion of the mergers, the amounts and benefits due to certain employees (other than the LaSalle senior officers) under LaSalle's employee retention bonus plan upon expiration of the seven-day revocation period following the execution and delivery by the applicable participant of a release agreement.

In exchange for their services to LaSalle in connection with the mergers and the terminated Blackstone transaction, each member of the transaction committee of the LaSalle Board received compensation of \$20,000 per month, subject to an overall limit of \$100,000 per member. The members of the transaction committee of the LaSalle Board are Jeffrey T. Foland, Darryl Hartley-Leonard and Stuart L. Scott.

Upon completion of the mergers, the LaSalle non-management trustees will be paid by LaSalle in cash in respect of their earned and unpaid 2018 LaSalle Board compensation.

For more information regarding these interests, see "The Mergers Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers" beginning on page 155.

### **Listing of Pebblebrook Common Shares, Pebblebrook Series E Preferred Shares and Pebblebrook Series F Preferred Shares (See page 202)**

It is a condition to each party's obligation to complete the mergers that the Pebblebrook common shares, the Pebblebrook Series E preferred shares and the Pebblebrook Series F preferred shares to be issued pursuant to the merger agreement be approved for listing on the NYSE, subject to official notice of issuance. Pebblebrook has agreed to use its reasonable best efforts to have the application for the listing of such Pebblebrook common shares, the Pebblebrook Series E preferred shares and the Pebblebrook Series F preferred shares accepted by the NYSE as promptly as is practicable. After the company merger is completed, LaSalle common shares, LaSalle Series I preferred shares and LaSalle Series J preferred shares will cease to be listed on the NYSE and will be deregistered under the Exchange Act.

### **No Shareholder Appraisal Rights in the Mergers (See page 210)**

No dissenters' or appraisal rights or rights of objecting shareholders will be available with respect to the mergers or the other transactions contemplated by the merger agreement.

## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

#### **Conditions to Completion of the Mergers (See page 228)**

A number of customary conditions must be satisfied or waived, where legally permissible, before the mergers can be consummated. These include, among others:

approval by LaSalle shareholders of the company merger and the other transactions contemplated by the merger agreement;

approval by Pebblebrook shareholders of the issuance of Pebblebrook common shares pursuant to the merger agreement;

absence of any law or order of a governmental authority preventing or prohibiting the mergers;

declaration of effectiveness of the Form S-4 registration statement, of which this joint proxy statement/prospectus is a part, and the absence of any stop order suspending the effectiveness of such Form S-4 or any commencement or threat of any proceeding by the SEC to that effect that has not been withdrawn;

approval of listing on the NYSE, subject to official notice of issuance, of the Pebblebrook common shares, the Pebblebrook Series E preferred shares and the Pebblebrook Series F preferred shares to be issued pursuant to the merger agreement;

truth and accuracy of the representations and warranties of each party made in the merger agreement as of the completion of the mergers, subject to materiality standards and qualifiers set forth in the merger agreement;

performance of or compliance in material respects with obligations under the merger agreement;

receipt of closing certificates signed on behalf of each party's chief executive officer or chief financial officer that certain conditions to closing have been satisfied;

receipt of an opinion of counsel by each of Pebblebrook and LaSalle from counsel for the other party to the effect that such party has been organized and has operated in conformity with the requirements for qualification and taxation as a REIT;

receipt of an opinion of counsel of each party to the effect that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and

absence of any material adverse effect with regard to Pebblebrook or LaSalle.

Neither Pebblebrook nor LaSalle can give any assurance as to when or if all of the conditions to completion of the mergers will be satisfied or waived or that the mergers will occur.

See "The Merger Agreement Conditions to the Mergers" beginning on page 228.

#### **Regulatory Approvals Required for the Mergers (See page 164)**

Pebblebrook and LaSalle are not aware of any material federal or state regulatory requirements that must be complied with, or regulatory approvals that must be obtained, pursuant to the merger agreement or the other transactions contemplated by the merger agreement.

**No Solicitation and Change in Recommendation** (*See page 217*)

Under the merger agreement, each of Pebblebrook and LaSalle has agreed not to, and to cause its subsidiaries not to, directly or indirectly: (i) solicit, initiate or knowingly encourage or knowingly facilitate the submission or announcement of any acquisition proposal or acquisition inquiry (as those terms are defined below), (ii) furnish any non-public information regarding such party or its subsidiaries to any third party with respect to an acquisition proposal or acquisition inquiry, (iii) engage in or otherwise participate in any discussions or negotiations with any third party with respect to any

Table of Contents

acquisition proposal or acquisition inquiry, (iv) otherwise knowingly facilitate any effort or attempt to make an acquisition proposal or acquisition inquiry, (v) terminate, waive, amend, release or modify any provision of any standstill, confidentiality or similar agreement to which any of the LaSalle parties or Pebblebrook parties, as applicable, is a party, except to the extent necessary to allow the counterparty thereof to make a private acquisition proposal to the LaSalle Board or the Pebblebrook Board, as applicable, (vi) provide any further information with respect to itself, its subsidiaries or any acquisition proposal to any third party or its representatives, (vii) approve or recommend an acquisition proposal or enter into any alternative acquisition agreement or (viii) resolve, propose or agree to do any of the foregoing.

However, prior to the approval of the company merger and the other transactions contemplated by the merger agreement by LaSalle shareholders, and, prior to the approval of the issuance of the Pebblebrook common shares pursuant to the merger agreement by Pebblebrook shareholders, as applicable, LaSalle and its representative may, and Pebblebrook and its representatives may, as applicable, under certain specified circumstances, engage in discussions or negotiations with and provide any such information in response to an unsolicited bona fide written acquisition proposal. Under the merger agreement, each party is required to notify the other party promptly if it receives any acquisition proposal or acquisition inquiry or any request for non-public information in connection with an acquisition proposal and, among other things, keep the other party reasonably informed of the status of any discussions or negotiations with respect thereto.

Before the approval of the company merger and the other transactions contemplated by the merger agreement by LaSalle common shareholders, the LaSalle Board may, and before the approval of the issuance of the Pebblebrook common shares in connection with the company merger by Pebblebrook shareholders, the Pebblebrook Board may, under certain specified circumstances, withdraw its recommendation to its shareholders and/or, in the case of LaSalle, terminate the merger agreement to enter into an alternative acquisition agreement with respect to a superior proposal (as defined below) if the LaSalle Board or the Pebblebrook Board, as applicable, determines in good faith, after consultation with outside legal counsel, that failure to take such action would be inconsistent with its trustees' duties under applicable law.

For more information regarding the limitations on LaSalle and the LaSalle Board and Pebblebrook and the Pebblebrook Board to consider other proposals, see "The Merger Agreement Restriction on Solicitation of Acquisition Proposals" beginning on page 217.

**Termination of the Merger Agreement (See page 230)**

The merger agreement may be terminated at any time by the mutual consent of Pebblebrook and LaSalle in a written instrument.

In addition, the merger agreement may be terminated prior to the effective time of the company merger by either Pebblebrook or LaSalle under the following conditions, each subject to certain exceptions:

the mergers are not consummated by the end date;

a governmental entity has issued a final, non-appealable order permanently restraining, enjoining or otherwise prohibiting the consummation of the mergers or the other transactions contemplated by the merger agreement;

there has been a breach by the other party of any representation, warranty or covenant set forth in the merger agreement, which causes a condition of the merger agreement not to be satisfied (and such breach is not curable prior to the end date);

Table of Contents

the holders of LaSalle common shares do not approve the company merger and the other transactions contemplated by the merger agreement; or

the holders of Pebblebrook common shares do not approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

The merger agreement may also be terminated by Pebblebrook if, prior to the approval of the company merger and the other transactions contemplated by the merger agreement by LaSalle shareholders, the LaSalle Board effects a change in recommendation (as defined below) or enters into an alternative acquisition agreement (as defined below).

The merger agreement may also be terminated by LaSalle if:

prior to the approval of the company merger and the other transactions contemplated by the merger agreement by LaSalle shareholders, the LaSalle Board effects a change in recommendation and LaSalle enters into a definitive agreement with respect to a superior proposal and pays a termination payment to Pebblebrook as described below; or

prior to the approval of the issuance of the Pebblebrook common shares pursuant to the merger agreement by Pebblebrook shareholders, the Pebblebrook Board effects a change in recommendation or any Pebblebrook party enters into an alternative acquisition agreement.

For more information regarding the rights of Pebblebrook and LaSalle to terminate the merger agreement, see "The Merger Agreement Termination of the Merger Agreement" beginning on page 230.

**Termination Fee and Expenses (See page 231)**

Generally, all fees and expenses incurred in connection with the mergers and the other transactions contemplated by the merger agreement will be paid by the party incurring those fees and expenses. Additionally, upon termination of the merger agreement in certain circumstances, the merger agreement provides for the payment of a termination fee to Pebblebrook by LaSalle of \$112 million. The merger agreement also provides for the payment of a termination fee to LaSalle by Pebblebrook of \$81 million upon termination of the merger agreement in certain circumstances.

See "The Merger Agreement Termination Fees" beginning on page 231.

**Material U.S. Federal Income Tax Consequences of the Company Merger (See page 166)**

Pebblebrook and LaSalle intend that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The completion of the mergers is conditioned on the receipt by each of Pebblebrook and LaSalle of an opinion from its counsel to the effect that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the company merger qualifies as a reorganization, the U.S. federal income tax consequences for U.S. holders (as defined herein) of LaSalle common shares who receive Pebblebrook common shares and/or cash in exchange for their shares in connection with the company merger generally will be as follows:

if a LaSalle shareholder receives solely Pebblebrook common shares, such shareholder generally will not recognize any gain or loss, except with respect to cash received in lieu of fractional Pebblebrook common shares;

if a LaSalle shareholder receives solely cash, such shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the shareholder's tax basis in its LaSalle shares; and

Table of Contents

if a LaSalle shareholder receives a combination of Pebblebrook common shares and cash, such shareholder generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the sum of the cash and the fair market value of the Pebblebrook common shares received, minus the shareholder's tax basis in its LaSalle shares, and (2) the amount of cash received.

Non-U.S. holders (as defined elsewhere in this joint proxy statement/prospectus) who receive some or all of the merger consideration in cash may be subject to U.S. withholding tax with respect to the cash consideration. For further discussion of the material U.S. federal income tax consequences of the company merger and the ownership and disposition of the common shares of the combined company, see "The Mergers Material U.S. Federal Income Tax Consequences" beginning on page 164.

Holders of LaSalle common shares should consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the company merger and the ownership and disposition of the common shares of the combined company.

**Accounting Treatment (See page 201)**

Pebblebrook prepares its financial statements in accordance with U.S. generally accepted accounting principles, which we refer to as GAAP. The mergers will be accounted for by applying the acquisition method. See "The Mergers Accounting Treatment" beginning on page 201 for more information.

**Comparison of Rights of Pebblebrook Shareholders and LaSalle Shareholders (See page 246)**

The rights of LaSalle shareholders are currently governed by and subject to the Maryland REIT Law, which we refer to as the MRL, which incorporates certain provisions of the Maryland General Corporation Law, which we refer to as the MGCL, and the declaration of trust and bylaws of LaSalle. Upon consummation of the mergers, the rights of the former LaSalle shareholders and LaSalle OP unitholders who receive Pebblebrook common shares in the mergers will be governed by the MRL and the declaration of trust and bylaws of Pebblebrook, rather than the declaration of trust and bylaws of LaSalle. Generally, the rights of Pebblebrook shareholders are substantially similar to those of LaSalle shareholders.

For a summary of certain differences between the rights of Pebblebrook shareholders and LaSalle shareholders, see "Comparison of Rights of Pebblebrook Shareholders and LaSalle Shareholders" beginning on page 246.

**Selected Historical Financial Information of Pebblebrook**

Except for the data in the table titled "Other Financial Data" below, the following selected historical financial information for each of the years during the five-year period ended December 31, 2017 and the selected balance sheet data as of December 31 for each of the years in the five-year period ended December 31, 2017 have been derived from Pebblebrook's audited consolidated financial statements. The selected historical financial information for the six months ended June 30, 2018 and 2017 and the selected balance sheet data as of June 30, 2018 and 2017 have been derived from Pebblebrook's unaudited interim consolidated financial statements.

You should read the selected historical financial information presented below together with the consolidated financial statements and the related notes thereto and management's discussion and analysis of financial condition and results of operations of Pebblebrook included in Pebblebrook's Annual Report on Form 10-K for the year ended December 31, 2017 and its Quarterly Report on



## Edgar Filing: Pebblebrook Hotel Trust - Form 424B3

### Table of Contents

Form 10-Q for the quarter ended June 30, 2018 which are incorporated herein by reference. See also "Where You Can Find More Information and Incorporation by Reference" beginning on page 252.

	For the six months ended June 30,		For the year ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(In thousands, except share and per-share data)							
<b>Revenues:</b>							
Room	\$ 264,489	\$ 268,092	\$ 532,288	\$ 568,867	\$ 526,573	\$ 410,600	\$ 321,630
Food and beverage	93,778	92,019	182,737	191,857	190,852	148,114	136,531
Other operating	29,289	27,784	54,292	55,697	53,439	40,062	31,056
<b>Total revenues</b>	<b>387,556</b>	<b>387,895</b>	<b>769,317</b>	<b>816,421</b>	<b>770,864</b>	<b>598,776</b>	<b>489,217</b>
<b>Expenses:</b>							
Hotel operating expenses:							
Room	64,865	67,623	134,068	137,312	124,090	102,709	83,390
Food and beverage	62,924	61,490	123,213	126,957	128,816	104,843	100,244
Other direct and indirect	106,362	106,449	210,692	219,655	215,169	166,435	140,564
<b>Total hotel operating expenses</b>	<b>234,151</b>	<b>235,562</b>	<b>467,973</b>	<b>483,924</b>	<b>468,075</b>	<b>373,987</b>	<b>324,198</b>
Depreciation and amortization	49,464	52,246	102,290	102,439	95,872	68,324	55,570
Real estate taxes, personal property taxes, property insurance and ground rent	24,603	25,750	48,500	50,488	46,947	36,878	31,052
General and administrative	11,179	12,578	24,048	28,105	32,335	28,322	20,542
Impairment and other losses	1,378	1,049	6,003	12,148			
Gain on insurance settlement	(13,088)						
<b>Total operating expenses</b>	<b>307,687</b>	<b>327,185</b>	<b>648,814</b>	<b>677,104</b>	<b>643,229</b>	<b>507,511</b>	<b>431,362</b>
Operating income (loss)	79,869	60,710	120,503	139,317	127,635	91,265	57,855
Interest income	122	96	97	1,995	2,511	2,529	2,620
Interest expense	(20,627)	(19,046)	(37,299)	(43,615)	(38,774)	(27,065)	(23,680)
Other	25,356		2,265	283			
Gain on sale of hotel properties		14,587	14,877	40,690			
Equity in earnings (loss) of joint venture				(64,842)	6,213	10,065	7,623
<b>Income (loss) before income taxes</b>	<b>84,720</b>	<b>56,347</b>	<b>100,443</b>	<b>73,828</b>	<b>97,585</b>	<b>76,794</b>	<b>44,418</b>
Income tax (expense) benefit	(1,909)	1,412	(181)	134	(2,590)	(3,251)	(1,226)