

CBL & ASSOCIATES PROPERTIES INC
Form DEF 14A
March 27, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

- O Preliminary Proxy Statement
- O Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- X Definitive Proxy Statement
- O Definitive Additional Materials
- O Soliciting Material Under § 240.14a-12

CBL & ASSOCIATES PROPERTIES, INC.

(Name of Registrant as Specified in Its Charter)

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

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- O Fee computed on table below per Exchange Act Rules 14(a)-6(i)(1) and 0-11.

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 - 1) Amount Previously Paid:

 - 2) Form, Schedule or Registration Statement No.:

 - 3) Filing Party:

 - 4) Date Filed:
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March 27, 2009

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders which will be held at The Chattanooga, 1201 South Broad Street, Chattanooga, Tennessee, on Monday, May 4, 2009 at 4:00 p.m. (EDT).

The Notice and Proxy Statement on the following pages contain details concerning the business to come before the meeting. Management will report on current operations and there will be an opportunity for discussion concerning the Company and its activities. Please sign and return your proxy card in the enclosed envelope, or vote your shares by telephone or via the Internet, to ensure that your shares will be represented and voted at the meeting even if you cannot attend. Even if you plan to attend the meeting, you are urged to sign and return the enclosed proxy card, or to vote your shares by telephone or via the Internet in accordance with the instructions on the enclosed proxy card.

I look forward to personally meeting all stockholders who are able to attend.

Sincerely,

Chairman of the Board and
Chief Executive Officer

CBL & ASSOCIATES PROPERTIES, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 4, 2009

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of CBL & Associates Properties, Inc., a Delaware corporation (the "Company"), will be held at The Chattanooga, 1201 South Broad Street, Chattanooga, Tennessee, on Monday, May 4, 2009 at 4:00 p.m. (EDT) for the following purposes:

1. To re-elect two directors to serve for a term of three years and until their respective successors are elected and qualified;
2. To act upon a proposal to ratify the selection of Deloitte & Touche LLP as the independent registered public accountants for the Company's fiscal year ending December 31, 2009;
3. To act upon a stockholder proposal, if properly presented at the Annual Meeting, which the Board of Directors and management unanimously oppose, to request that the Board of Directors take the necessary steps to declassify the Board of Directors and require annual election of all the Company's directors; and
4. To consider and act upon any other matters which may properly come before the meeting or any adjournment thereof.

In accordance with the provisions of the Company's Bylaws, the Board of Directors has fixed the close of business on March 9, 2009, as the record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Meeting.

Your attention is directed to the accompanying Proxy Statement.

Whether or not you plan to attend the meeting, we urge you to submit your Proxy. To submit your Proxy by mail, please sign, date and promptly return the enclosed Proxy in order to ensure representation of your shares. An addressed envelope for which no postage is required if mailed in the United States is enclosed for that purpose. Alternatively, you may use the toll-free telephone number indicated on the enclosed Proxy to vote by telephone or visit the website indicated on the enclosed Proxy to vote via the Internet. This will not prevent you from voting your shares at the meeting if you desire to do so, as your Proxy is revocable at your option.

By Order of the Board of Directors

President and Secretary

Chattanooga, Tennessee

March 27, 2009

PROXY STATEMENT

CBL & ASSOCIATES PROPERTIES, INC.

2030 Hamilton Place Blvd.

Suite 500

CBL Center

Chattanooga, Tennessee 37421

ANNUAL MEETING OF STOCKHOLDERS

May 4, 2009

PROXIES

The enclosed proxy is solicited by and on behalf of the Board of Directors of CBL & Associates Properties, Inc., a Delaware corporation (the "Company" or "CBL"), for use at the annual meeting of stockholders of the Company (the "Annual Meeting") to be held at The Chattanooga, 1201 South Broad Street, Chattanooga, Tennessee, on Monday, May 4, 2009, at 4:00 p.m. (EDT) and at any and all postponements or adjournments thereof. Any proxy given may be revoked at any time before it is voted by filing with the Secretary of the Company either an instrument revoking it or a duly executed proxy bearing a later date. All expenses of the solicitation of proxies for the Annual Meeting, including the cost of mailing, will be borne by the Company. In addition to solicitation by mail, officers and regular employees of the Company may solicit proxies from stockholders by telephone, telegram or personal interview but will not receive additional compensation for such services. The Company also intends to request persons holding stock in their name or custody, or in the name of nominees, to send proxy materials to their principals and request authority for the execution of the proxies. The Company will reimburse such persons for the associated expense.

The Company anticipates mailing proxy materials and the Annual Report for the Company's fiscal year ended December 31, 2008, on or about March 27, 2009, to stockholders of record as of March 9, 2009.

VOTING SECURITIES

Record Date and Shares Entitled to Vote

Only stockholders of record at the close of business on March 9, 2009 are entitled to vote on the matters to be presented at the Annual Meeting. The number of shares of the Company's common stock, par value \$.01 per share ("Common Stock"), outstanding on such date and entitled to vote was 66,407,096 shares.

Quorum Requirements

The presence in person or by proxy of holders of record of a majority of the outstanding shares of Common Stock is required for a quorum to transact business at the Annual Meeting with respect to those matters requiring approval by the holders of Common Stock, but if a quorum should not be present, the Annual Meeting may be adjourned from time to time until a quorum is obtained.

Votes Necessary to Approve the Proposals

The affirmative vote of the holders of a plurality of the shares of the Common Stock present or represented at the Annual Meeting is required for the election of directors. The affirmative vote of a majority of the votes cast by the holders of shares of Common Stock present or represented at the Annual Meeting is required for the ratification of the selection of Deloitte & Touche LLP as the independent registered public accountants (the “independent auditors”) for the Company’s fiscal year ending December 31, 2009 and, if properly presented at the Annual Meeting, for the approval of the stockholder proposal. Each share of Common Stock is entitled to one vote

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with respect to those matters upon which such share is to be voted. No cumulative voting rights are authorized and dissenters' rights are not applicable to these matters.

Voting Procedures

A proxy card is being mailed to each holder of shares of the Company's Common Stock for voting with respect to each stockholder's shares of Common Stock. Stockholders holding shares of Common Stock should complete, sign and return the proxy card to the Company. Alternatively, stockholders may use the toll-free telephone number indicated on the enclosed proxy card to vote by telephone or visit the website indicated on the enclosed proxy card to vote via the Internet.

Abstentions and broker non-votes (shares held by a broker or nominee which are represented at the Annual Meeting, but with respect to which such broker or nominee does not have discretionary authority to vote on a particular proposal) will be counted as present at the Annual Meeting for the purpose of determining whether or not a quorum exists. Abstentions and broker non-votes will have no effect on the election of any nominee for director, so long as such nominee receives any affirmative votes. Abstentions and broker non-votes also are not counted as votes cast "for" or "against" a proposal, and so will have no effect on the ratification of the selection of the independent auditors or on approval of the stockholder proposal.

Unless contrary instructions are indicated on the accompanying proxy, the shares represented thereby will be voted **FOR** the election of the Board of Directors' two nominees for re-election as directors of the Company; **FOR** ratification of the selection of Deloitte & Touche LLP as the independent registered public accountants for the Company's fiscal year ending December 31, 2009; and **AGAINST** the stockholder proposal.

PROPOSAL 1

ELECTION OF DIRECTORS

The Board of Directors currently consists of nine members divided into three classes (having two, three and four members, respectively) serving staggered three-year terms. Under the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and Amended and Restated Bylaws (the "Bylaws"), a majority of the directors must be unaffiliated ("Independent Directors") with the Company and its predecessor entity, CBL & Associates, Inc. and its affiliates ("CBL's Predecessor"). Each year the term of office of one class of directors expires.

Upon the recommendation of the Company's Nominating/Corporate Governance Committee, the Board of Directors intends to present for action at the Annual Meeting the re-election of John N. Foy and Matthew S. Dominski, whose present terms expire in 2009, to serve for a term of three years and until their successors are duly elected and shall qualify. Mr. Dominski is one of the Company's six Independent Directors. Mr. Dominski currently serves as a member of the Company's Audit, Compensation and Nominating/Corporate Governance Committees. Mr. Foy is Vice Chairman of the Board, Chief Financial Officer and Treasurer of the Company and serves as a member of the Company's Executive Committee. On February 4, 2009, Martin J. Cleary, an Independent Director of the Company whose term also expires in 2009, notified the Company of his decision, for personal reasons, to retire from the Board of Directors and not to stand for reelection upon the conclusion of his current term at the Company's 2009 Annual Meeting. The Board of Directors is engaged in a search for a successor to fill Mr. Cleary's seat, but as of the date of this Proxy Statement had not identified a suitable candidate to stand for election at the 2009 Annual Meeting.

Unless authority to vote for such directors is withheld, the enclosed proxy will be voted for such persons, except that the persons designated as proxies reserve discretion to cast their votes for other persons in the unanticipated event that any of such nominees is unable or declines to serve.

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Nominees

Set forth below is information with respect to the nominees for election:

<u>Name</u>	<u>Age</u>	<u>Current Position*</u>
Matthew S. Dominski	54	Director
John N. Foy	65	Vice Chairman of the Board of Directors, Chief Financial Officer and Treasurer

* The position shown represents the individual's position with the Company and with CBL & Associates Management, Inc., a Delaware corporation (the "Management Company"), through which the Company's property management and development activities are conducted.

Matthew S. Dominski joined the Company as a director on February 2, 2005, when he was appointed to the Board of Directors to fill the un-expired term of William J. Poorvu, who retired from the Company's Board in July 2004. Mr. Dominski is a member of the Company's Audit, Compensation and Nominating/Corporate Governance Committees. From 1993 through 2000, Mr. Dominski served as Chief Executive Officer of Urban Shopping Centers ("Urban"). Urban was formerly one of the largest regional mall property companies in the United States and was a publicly traded real estate investment trust ("REIT") listed on the New York Stock Exchange ("NYSE") and the Chicago Exchange. Following the purchase of Urban by Rodamco North America in 2000, Mr. Dominski served as Urban's President until 2002. In 2003, Mr. Dominski formed Polaris Capital, LLC, a Chicago, Illinois based real estate investment firm of which he currently is joint owner. From 1998 until 2004, Mr. Dominski served as a member of the Board of Trustees of the International Council of Shopping Centers ("ICSC").

John N. Foy has served as Vice Chairman of the Board of Directors and Treasurer of the Company since February 1999 and as a director and Chief Financial Officer of the Company since the completion of its initial public offering in November 1993. Until February 1999, he served as Executive Vice President – Finance, Chief Financial Officer and Secretary of the Company. Mr. Foy is a member of the Executive Committee of the Board of Directors. Prior to the Company's formation, he served in similar executive capacities with CBL's Predecessor. Mr. Foy has been involved in the shopping center industry since 1968 when he joined the Lebovitz family's shopping center development business. In 1970, he became affiliated with the shopping center division of Arlen Realty & Development Corp. ("Arlen"), and, in 1978, joined Charles B. Lebovitz in establishing CBL's Predecessor. Mr. Foy served as the non-executive Chairman of the Board of First Fidelity Savings Bank in Crossville, Tennessee from December 1985 until April 1994. Mr. Foy currently serves as Chairman of the Board of Directors of Chattanooga Neighborhood Enterprise, a non-profit organization based in Chattanooga, Tennessee, as a member of the Board of Trustees of the University of Tennessee, and as a member of the Board of Directors of the Electric Power Board of Chattanooga, a non-profit agency of the City of Chattanooga, Tennessee. Mr. Foy is a former member of the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT").

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS

**A VOTE "FOR" THE ELECTION OF THE
TWO DIRECTORS NAMED ABOVE**

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Directors and Executive Officers

Set forth below is information with respect to those individuals serving as directors and executive officers of the Company as of March 9, 2009 (other than John N. Foy and Matthew S. Dominski):

<u>Name</u>	<u>Term Expires (1)</u>	<u>Age</u>	<u>Current Position (2)</u>
Charles B. Lebovitz	2011	72	Chairman of the Board of Directors and Chief Executive Officer
Stephen D. Lebovitz	2010	48	Director, President and Secretary
Claude M. Ballard	2011	79	Director
Gary L. Bryenton	2011	69	Director
Martin J. Cleary	2009	73	Director (3)
Leo Fields	2011	80	Director
Winston W. Walker	2010	65	Director
Ben S. Landress	—	81	Executive Vice President – Management
Augustus N. Stephas	—	66	Chief Operating Officer – Senior Vice President
Michael I. Lebovitz	—	45	Chief Development Officer – Senior Vice President
Victoria S. Berghel	—	56	Senior Vice President – General Counsel
Howard B. Grody	—	48	Senior Vice President – Leasing
Alan L. Lebovitz	—	41	Senior Vice President – Asset Management
Mark D. Mancuso	—	54	Senior Vice President – Development
Farzana K. Mitchell	—	57	Senior Vice President – Finance
Jerry L. Sink	—	58	Senior Vice President – Mall Management
Charles W.A. Willett, Jr.	—	59	Senior Vice President – Real Estate Finance

(1) Indicates expiration of term as a director.

(2) The position shown represents the individual's position with the Company and with the Management Company.

(3) Mr. Cleary is retiring, effective upon the expiration of his current term at the 2009 Annual Meeting.

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Charles B. Lebovitz has served as Chairman of the Board and Chief Executive Officer of the Company since the completion of its initial public offering in November 1993 and is Chairman of the Executive Committee of the Board of Directors. Mr. Lebovitz also served as President of the Company until February 1999. Prior to the Company's formation, he served in a similar capacity with CBL's Predecessor. Mr. Lebovitz has been involved in shopping center development since 1961 when he joined his family's development business. In 1970, he became affiliated with Arlen where he served as President of Arlen's shopping center division, and, in 1978, he founded CBL's Predecessor together with his associates (the "Associates"), including John N. Foy and Ben S. Landress. Mr. Lebovitz is an Advisory Director of First Tennessee Bank, N.A., Chattanooga, Tennessee and a member of the Urban Land Institute. He is a past president of the B'nai Zion Congregation of Chattanooga, a member of the National Board of Directors of Maccabiah USA/Sports for Israel (Maccabiah Games), and a National Vice Chairman of the United Jewish Appeal. Mr. Lebovitz also has previously served as Chairman of the ICSC and as a Trustee and Vice President (Southern Division) of the ICSC and is a former member of the Board of Governors of NAREIT. He is also a former member of the Chancellor's Round Table for the University of Tennessee at Chattanooga and a Past President of the Alumni Council for The McCallie School, Chattanooga, and a past member of The McCallie School Board of Trustees. He is the father of Stephen D. Lebovitz, Michael I. Lebovitz and Alan L. Lebovitz, executive officers of the Company.

Stephen D. Lebovitz has served as President and Secretary of the Company since February 1999 and as a Director of the Company since the completion of its initial public offering in November 1993. Since joining CBL's Predecessor in 1988, Mr. Lebovitz has also served as Executive Vice President – Development/Acquisitions, Executive Vice President – Development, Senior Vice President – New England Office, and as Senior Vice President – Community Center Development and Treasurer of the Company. Before joining CBL's Predecessor, Mr. Lebovitz was affiliated with Goldman, Sachs & Co. from 1984 to 1986. He holds a MBA from Harvard University. Mr. Lebovitz is past president of the Boston Jewish Family & Children's Service, co-chair of the 2009 Annual Campaign and a member of the Board of Directors of Boston's Combined Jewish Philanthropies, and a former member of the Board of Trust of Children's Hospital, Boston. He is a past Trustee and Divisional Vice President of the ICSC (2002-08). Stephen D. Lebovitz is a son of Charles B. Lebovitz and a brother of Michael I. Lebovitz and Alan L. Lebovitz.

Claude M. Ballard, CRE, M.A.I. has served as a director of the Company since the completion of its initial public offering in November 1993 and is Chairman of the Compensation Committee and a member of the Audit and Nominating/Corporate Governance Committees of the Board of Directors. Mr. Ballard has served as a general partner, limited partner and senior consultant of Goldman, Sachs & Co. and as a Senior Vice President in the real estate division of the Prudential Insurance Company of America. He is currently a director of Quapaw Council, Boy Scouts of America, Horizon Hotel Corp. and Research Solutions, Inc. Mr. Ballard is a member of the Board of Directors of St. Vincent's Infirmary, Little Rock, Arkansas.

Gary L. Bryenton joined the Company as a director on January 31, 2001, in accordance with the terms of the Company's acquisition of a portfolio of properties from Jacobs Realty Investors Limited Partnership, a Delaware limited partnership ("JRI") and certain of its affiliates and partners (collectively referred to herein as the "Jacobs Group" and the acquisition is referred to herein as the "Jacobs Acquisition"). Mr. Bryenton is Chairman of the Nominating/Corporate Governance Committee and a member of the Audit Committee of the Company's Board of Directors. Mr. Bryenton is a Senior Partner of the law firm of Baker & Hostetler LLP and has formerly served as the firm's Executive Partner and Chief Operating Officer. He currently is a member of the Board of Trustees of each of Heidelberg College and the Rutherford B. Hayes Presidential Center.

Martin J. Cleary joined the Company as director on January 31, 2001, in accordance with the terms of the Jacobs Acquisition. Mr. Cleary is a member of the Compensation Committee of the Company's Board of Directors. Mr. Cleary is the former President and Chief Operating Officer of The Richard E. Jacobs Group, Inc. Mr. Cleary is also an ex-officio Trustee and former Chairman of the ICSC.

Leo Fields has served as a director of the Company since the completion of its initial public offering in November 1993 and is a member of the Executive Committee of the Board of Directors. Mr. Fields has served as Executive Vice President of Gerald L. Ray Associates, Ltd., an investment advisory firm, since February 15, 2009. Mr. Fields served as Co-Chairman of Weisberg & Fields, Inc., an investment advisory firm he started in 1991, until

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that firm was purchased by Gerald L. Ray Associates, Ltd. on February 15, 2009. From 1984 through 1991, Mr. Fields directed Leo Fields Interests, a private investment firm. He was affiliated with Zale Corporation from 1947 until his retirement in 1984, serving, from 1981 to 1984, as Vice Chairman and a member of Zale's Executive Committee. Mr. Fields is also a director of the M. B. and Edna Zale Foundation.

Winston W. Walker has served as a director of the Company since the completion of its initial public offering in November 1993. He is a member of the Compensation and Nominating/Corporate Governance Committees of the Company's Board of Directors and is Chairman of the Audit Committee. Mr. Walker served as President and Chief Executive Officer of Provident Life and Accident Insurance Company of America ("Provident") from 1987 until 1993, and served in various other capacities with Provident from 1974 to 1987. Mr. Walker is a director, a member of the Audit Committee and Chairman of the Compensation Committee of American Campus Communities, Inc. of Austin, Texas, a REIT listed on the NYSE.

Ben S. Landress serves as Executive Vice President – Management of the Company. He has held that position since January 1997. Prior to that time, Mr. Landress served as Senior Vice President - Management and prior thereto, he served in a similar capacity with CBL's Predecessor. Mr. Landress is responsible for general corporate administration and is the Company's Compliance Officer. Mr. Landress has been involved in the shopping center business since 1961 when he joined the Lebovitz family's development business. In 1970, he became affiliated with Arlen's shopping center division, and, in 1978, joined Charles B. Lebovitz as an Associate in establishing CBL's Predecessor.

Augustus N. Stephas serves as Chief Operating Officer – Senior Vice President of the Company. He was promoted to that position in February 2007. Previously, Mr. Stephas served as Senior Vice President – Accounting and Controller of the Company, having held these positions since January 1997. Mr. Stephas joined CBL's Predecessor in July 1978 as Controller and was promoted to Vice President in 1984. From 1970 to 1978, Mr. Stephas was affiliated with the shopping center division of Arlen, first as accountant and later as assistant controller.

Michael I. Lebovitz serves as Chief Development Officer – Senior Vice President of the Company. He was promoted to that position in June 2006. Previously, Mr. Lebovitz served the Company as Senior Vice President – Mall Projects, having held that position since January 1997. Prior to that time, Mr. Lebovitz served as Vice President - Development and as a project manager for the Company. Mr. Lebovitz joined CBL's Predecessor in 1988 as a project manager for CoolSprings Galleria in Nashville, Tennessee, and was promoted to Vice President in 1993. Prior to joining CBL's Predecessor, he was affiliated with Goldman, Sachs & Co. from 1986 to 1988. He is past president of the Jewish Community Federation of Greater Chattanooga and a past member of the national board of Hillel. Mr. Lebovitz currently serves on the national boards of United Jewish Communities, the United Israel Appeal and the United States Holocaust Memorial Council, and was recently named National Campaign Chair for the United Jewish Communities/Jewish Federations of North America for 2010 – 2011. He is also a member of the Board of the United Way of Greater Chattanooga. Michael I. Lebovitz is a son of Charles B. Lebovitz and a brother of Stephen D. Lebovitz and Alan L. Lebovitz.

Victoria S. Berghel serves as Senior Vice President – General Counsel of the Company. She was promoted to that position effective January 1, 2006. Ms. Berghel formerly served as Vice President – Deputy General Counsel since joining the Company in February 2004. Prior to joining the Company, Ms. Berghel served as a Vice President – Law – Real Estate, Construction and Environmental Affairs for Sears, Roebuck and Co. (1996 – 2004). Before joining Sears in 1996, she was a partner with the Baltimore, Maryland law firm of Weinberg & Green (now part of the law firm of Saul Ewing LLP). Ms. Berghel earned her law degree from the University of Maryland School of Law (J.D., 1977) where she was on the Editorial Board of the Maryland Law Review. Ms. Berghel has been a member of the American College of Real Estate Lawyers since 1989 and has served as Chair of the Maryland State Bar Association's Section of Real Property, Planning and Zoning from 1994 to 1996. She serves on the Advisory Board of the John Marshall School of Law LLM-Real Estate program and is a member of the Law Conference Program Committee for the ICSC having previously served as co-chair (2003) and chair (2004) of the ICSC Law Conference and as a dean of the ICSC University of Shopping Centers School of Shopping Center Law.

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Howard B. Grody serves as Senior Vice President – Leasing of the Company. He was promoted to that position effective June 17, 2008. Previously, Mr. Grody had served as Vice President – Mall Leasing of the

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Company since 2000. Mr. Grody joined CBL in 1991 as a Leasing Manager for the Turtle Creek Mall Development in Hattiesburg, Mississippi, and subsequently was promoted to the position of Senior Leasing Manager, assuming leasing responsibilities for the Company's three Nashville-area malls. Prior to joining CBL, Mr. Grody worked in the real estate industry with Sizeler Real Estate Properties and R. G. Foster & Associates.

Alan L. Lebovitz serves as Senior Vice President – Asset Management of the Company. He was promoted to that position effective February 23, 2009, having previously served as Vice President – Asset Management since 2002. Mr. Lebovitz previously had served in various positions in management, leasing and development since joining the Company in 1995. Mr. Lebovitz was affiliated with Goldman, Sachs & Co. from 1990 to 1992 and obtained a MBA degree from Vanderbilt University prior to joining CBL in 1995. He is the immediate past president of the B'nai Zion Congregation of Chattanooga, a Leadership Chattanooga alumnus and is a member of the Board of the United Way of Greater Chattanooga. Alan L. Lebovitz is a son of Charles B. Lebovitz and a brother of Stephen D. Lebovitz and Michael I. Lebovitz.

Mark D. Mancuso serves as Senior Vice President –Development of the Company. He was promoted to that position effective January 1, 2006. Mr. Mancuso formerly served as Vice President and Director of Community Center Development – Boston Office. Prior to joining the Company in 1989, he was a partner with The Pyramid Companies (1984-1989). Mr. Mancuso holds a MBA from Harvard University and is currently a State Director for the ICSC and Chairman of the Board of the West Suburban YMCA in Newton, Massachusetts.

Farzana K. Mitchell serves as Senior Vice President – Finance of the Company. She has held that position since September 2000. Prior to joining the Company, Ms. Mitchell was Vice President of Equitable Real Estate (successor to Lend Lease Real Estate Investments prior to its acquisition by Morgan Stanley). Ms. Mitchell served the Equitable and Lend Lease companies for 18 years in various senior financial positions and as Deputy Portfolio Manager for Equitable/AXA Financial's mortgage portfolio. From 1976 to 1982, she served as Assistant Treasurer of IRT Property Company, a former REIT. Ms. Mitchell received her BBA degree in Economics, MBA in Accounting and a MS in Real Estate and Urban Affairs from Georgia State University. She is a certified public accountant, licensed in the state of Georgia.

Jerry L. Sink serves as Senior Vice President – Mall Management of the Company. He has held that position since February 1998. Prior to that time, Mr. Sink had served as Vice President - Mall Management since joining the Company in July 1993. Mr. Sink served as Vice President of Retail Asset Management for Equitable Real Estate, Chicago, Illinois, from January 1988 to June 1993 and, prior to January 1988, he was affiliated with General Growth Companies, Inc. as Vice President of Management. Mr. Sink holds the designation of Senior Certified Shopping Center Manager ("SCSM") as recognized by the ICSC.

Charles W.A. Willett, Jr. serves as Senior Vice President – Real Estate Finance of the Company. He has held that position since January 2002. Mr. Willett was promoted to Vice President - Real Estate Finance in 1996 and held that position until his promotion to Senior Vice President as stated above. Prior to 1996, Mr. Willett participated in the Company's finance department and he served in a similar capacity with CBL's Predecessor prior to 1993. Mr. Willett joined CBL's Predecessor in 1978 and prior thereto, he was affiliated with Arlen in its finance and accounting departments.

Operation of the Company's Business; Certain Aspects of the Company's Capital Structure

The Company operates through its two wholly-owned subsidiaries, CBL Holdings I, Inc., a Delaware corporation ("CBL Holdings I"), and CBL Holdings II, Inc., a Delaware corporation ("CBL Holdings II"). Through the referenced subsidiaries, the Company currently holds a 1.6% sole general partner interest and a 55.1% limited partner interest in CBL & Associates Limited Partnership, a Delaware limited partnership (the "Operating Partnership"). See "Certain Relationships and Related Transactions – Operating Partnership Agreement; CBL Rights". The Company

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conducts substantially all of its business through the Operating Partnership. The Company conducts its property management and development activities through the Management Company, which is a taxable REIT subsidiary of the Operating Partnership, to comply with certain technical requirements of the Internal Revenue Code of 1986, as amended.

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On May 9, 2005, the Company's stockholders approved an increase in the authorized shares of Common Stock under the Certificate of Incorporation to 180,000,000 shares from 95,000,000 shares. On May 10, 2005, the Board of Directors approved a two-for-one stock split of the Company's Common Stock, which was effected in the form of a stock dividend (the "6/15/05 Stock Split"). The record date for the 6/15/05 Stock Split was June 1, 2005, and the distribution date was June 15, 2005. The common units and special common units of limited partnership interest in the Operating Partnership were also split on a two-for-one basis so that they continue to be exchangeable on a one-for-one basis into shares of the Company's Common Stock. All references in this Proxy Statement to shares of our Common Stock, options to acquire such stock, and ownership interests in the Operating Partnership, have been adjusted to reflect the 6/15/05 Stock Split.

Certain Terms of the Jacobs Acquisition

In connection with the Jacobs Acquisition and pursuant to a voting and standstill agreement (the "Voting/Standstill Agreement"), the Company agreed to expand its Board of Directors from seven to nine members and to nominate two designees of JRI as members of the Board. Martin J. Cleary and Gary L. Bryenton were appointed to the Board as these initial designees. Under the Voting/Standstill Agreement, JRI will continue to be entitled to nominate two Board members until JRI, together with Richard E. Jacobs and certain members of his family and certain trusts for the benefit of the families of Richard E. Jacobs and David H. Jacobs (collectively, the "Jacobs Persons"), as a group, beneficially own fewer than an aggregate of 13.55 million special common units ("SCUs") in the Operating Partnership (or common units, if certain redemption or exchange provisions under the Operating Partnership Agreement have been triggered) and shares of Common Stock, following which JRI will be entitled to nominate only one Board member. JRI will no longer be entitled to nominate any Board members if the Jacobs Persons, as a group, beneficially own fewer than an aggregate of 6.67 million SCUs (or common units, if applicable) and shares of Common Stock. Pursuant to the Voting/Standstill Agreement, CBL's Predecessor and certain of the Company's executive officers have agreed to vote their shares in favor of JRI's designees until the twelfth anniversary of the Jacobs Acquisition. Accordingly, it is anticipated that the ultimate selection of an individual to succeed Mr. Cleary as one of the Company's Independent Directors, following his retirement from the Board in conjunction with the 2009 Annual Meeting, will be made by the Board of Directors in consultation with JRI pursuant to the terms of the Voting/Standstill Agreement. The Jacobs Persons have agreed to a 12-year standstill period during which they will not seek to acquire control of the Company and will not participate in a group which seeks to acquire such control. The Jacobs Persons also agreed until the twelfth anniversary of the Jacobs Acquisition to vote their shares in favor of the election of the Board's nominees to the Board of Directors who are running unopposed and uncontested. Effective as of January 1, 2006, the Voting/Standstill Agreement was amended to remove Martin J. Cleary as a party to that agreement. Neither Martin J. Cleary nor Gary L. Bryenton are parties to the Voting/Standstill Agreement, nor is either of them a party to any agreement which obligates them to vote with management of the Company on any matter.

Corporate Governance Matters

Overview. The Board of Directors has adopted guidelines on corporate governance (including director independence criteria), committee charters, and a code of business conduct and ethics setting forth the Company's corporate governance principles and practices and, effective as of January 1, 2006, the Company adopted amended and restated guidelines on corporate governance incorporating all previous guidelines on corporate governance and including additional policy statements (collectively, as amended and restated, referred to herein as the "Corporate Governance Guidelines"). See "Corporate Governance Matters – Additional Policy Statements". These documents can be accessed in the "Investing – Governance Documents" and "Investing – Board Committees" sections of the Company's website at cblproperties.com by directing a written request for copies to the Company at CBL & Associates Properties, Inc., CBL Center, Suite 500, 2030 Hamilton Place Boulevard, Chattanooga, Tennessee 37421-6000, Attention: Vice President – Corporate Communications and Investor Relations.

Director Independence. The Board has adopted a set of director independence standards ("Director Independence Standards") for evaluating the independence of each of the directors in accordance with the requirements of the SEC and of the NYSE corporate governance standards. Pursuant to NYSE Rule 303A.02(a) and the provisions of the Company's Director Independence Standards (as set forth below), the Board has reviewed

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whether any director has any relationship with the Company's independent auditors that would preclude independence under SEC and NYSE rules, or any material relationship with the Company (either directly or as a partner, member, shareholder or officer of an organization that has a relationship with the Company) which could (directly or indirectly) materially impact the ability of such director or nominee to exert his independent judgment and analysis as a member of the Board. As a result of this review, the Board affirmatively determined that six of the Company's nine directors were independent under the standards of the SEC and NYSE and as set forth in the Company's Director Independence Standards. Messrs. Charles B. Lebovitz, Stephen D. Lebovitz and John N. Foy, who are executive officers of the Company and employees of the Management Company, were not deemed independent. In making the independence determinations with respect to the other six directors, the Board considered the following matters and determined that they did not interfere with the independence of the following three directors: (i) with respect to Mr. Cleary and Mr. Bryenton, the Company's contractual commitments in connection with the terms of the Jacobs Acquisition as described above (see above "Certain Terms of the Jacobs Acquisition"); (ii) with respect to Mr. Cleary, the fact that, due to his retained ownership interests in certain entities within the Jacobs Group that contributed properties to the Operating Partnership in connection with the Jacobs Acquisition, he intends to recuse himself from participation in any Board decision involving the taxable sale of, or a significant reduction in the debt encumbering, any such properties that could trigger income tax liability based on the unrealized gain attributable to the difference between the fair market value and the adjusted tax basis in such properties immediately prior to the Jacobs Acquisition; (iii) with respect to Mr. Bryenton, the fact that he continues to serve as legal counsel to the Jacobs Group and to certain members of the Jacobs family, but solely concerning matters unrelated to the Company and the Jacobs Acquisition (for which such parties employ separate counsel); and (iv) with respect to Mr. Fields, the fact that he served through February 15, 2009 as Co-Chairman of Weisberg & Fields, Inc., an investment advisory firm that has provided certain advisory services, from time to time, to Charles B. Lebovitz, members of his family and to the Lebovitz Family Charitable Trust, a charitable foundation. In 2008, fees paid to Weisberg & Fields, Inc. by Charles B. Lebovitz, members of his family and the Lebovitz Family Charitable Trust totaled approximately \$184,012. The full text of the Director Independence Standards is as follows:

A. GENERAL INDEPENDENCE REQUIREMENTS

In determining whether or not any director or nominee for director may be considered "independent", the Board shall apply the following criteria:

(1) No director or nominee shall be deemed "independent" unless the Board affirmatively determines that the director or nominee satisfies the requirements stated herein and has no material relationship with the Company (either directly or as a partner, member, shareholder or officer of an organization that has a relationship with the Company). For purposes of this test, a relationship with the Company shall be deemed to be a "material" relationship which precludes a determination that a director or nominee is independent if, in the opinion of the Board and in light of all the relevant facts and circumstances, such relationship (directly or indirectly) could materially impact the ability of such director or nominee to exert his or her independent judgment and analysis as a member of the Board. For purposes hereof, ownership of the Company's stock (even in a significant amount) or ownership of securities convertible to the Company's stock shall not be viewed, in and of themselves, as a bar to a finding of independence. To assist in this determination, the Company shall periodically (at least annually and prior to any nominee becoming a director for his or her initial term as a director) deliver to the directors and/or nominees for directorships a Directors and Officers Questionnaire designed to elicit information from such director or nominee as to material relationships and other information relative to these Independence Standards; and

(2) In addition, to be considered "independent," a director or nominee must satisfy all other independence criteria for directors of a publicly traded company which are now, or may be hereafter, set forth in applicable federal statutes and rules promulgated by the SEC, and in the related listing standards promulgated by the NYSE and any other exchange upon which the Company's stock may be listed, as such statutes and/or rules and listing standards may be revised or amended from time to time.

B. ADDITIONAL AUDIT COMMITTEE INDEPENDENCE REQUIREMENTS

In determining whether or not any director or nominee satisfies the “independence” requirement for Audit Committee membership, in addition to satisfying all of the requirements set forth in Paragraph A hereof, such director also must satisfy the following:

Such director or nominee must satisfy all additional requirements for the independence of audit committee members of publicly traded companies which are now, or may be hereafter, set forth in applicable federal statutes and rules promulgated by the SEC, and in the related listing standards promulgated by the NYSE and any other exchange upon which the Company’s stock may be listed, as such statutes and/or rules and listing standards may be revised or amended from time to time.

The Director Independence Standards also are included as an exhibit to the Company’s Corporate Governance Guidelines, which can be found in the “Investing – Governance Documents” section of the Company’s website at cblproperties.com. A copy may also be obtained upon request from the Company’s Vice President – Corporate Communications and Investor Relations at the address provided above.

Additional Policy Statements. Effective as of January 1, 2006, the Company has included additional policy statements as part of the Corporate Governance Guidelines. A summary of these policy statements is as follows:

Limits on Other Board Participation – a policy statement that limits to four (4) the number of other public company boards (not counting the Company’s Board) upon which a director may serve at any given time.

Minimum Stock Ownership for Non-Employee Directors – a policy statement that provides that by the later of five (5) years from the adoption of the policy or becoming a member of the Company’s Board, a Non-Employee Director (a director that is not an employee of the Company, currently, the Independent Directors) must own at least the lesser of 3,500 shares of the Company’s Common Stock or \$150,000 worth of the Company’s Common Stock.

Minimum Stock Ownership for Executive Officers – a policy statement that provides that by the later of five (5) years from the adoption of the policy or becoming an executive officer, such executive officer must own an amount of the Company’s Common Stock, determined as set forth in the policy statement, having a value at least equal to the following formula amounts:

<u>Executive Officer</u>	<u>Level of Stock Ownership</u>
Chief Executive Officer	3x prior calendar year’s annual base salary
President	2x prior calendar year’s annual base salary
Chief Financial Officer	2x prior calendar year’s annual base salary
Executive Vice President	2x prior calendar year’s annual base salary
Senior Vice Presidents	1x prior calendar year’s annual base salary

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Changes in Director's Principal Occupation or Business Association— a policy statement that provides that when the principal occupation or business association of a member of the Board of Directors changes substantially from the position he or she held when originally invited to join the Board of Directors, such director shall promptly tender his or her resignation as a director to the Chairman of the Board of Directors. The Nominating/Corporate Governance Committee shall then review whether it is appropriate and in the best interests of the Company to allow the continued participation of such director as a member of the Board of Directors of the Company. If the Nominating/Corporate Governance Committee recommends that such director should no longer serve as a member of the Board of Directors of the Company as a result of such change, and the full Board of Directors (excluding the director at issue) ratifies such recommendation, then the tender of resignation by the affected director shall be accepted by the Board of Directors.

Initial Term of Director Appointed to Fill a Board Vacancy – a policy statement that provides that any director appointed by the Board of Directors of the Company to fill a vacancy created by the departure of another director shall serve only until the next regularly scheduled annual meeting of the Company's stockholders. In order

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for such director to continue to serve thereafter, he or she must be nominated and duly elected to fill the remainder of the term to which the director was originally appointed (or for another full term, as appropriate).

Executive Sessions for Independent Directors. In accordance with the NYSE Rule 303A.03, the Independent Directors of the Company meet from time to time in scheduled executive sessions without management participation. The Board of Directors has designated Winston W. Walker as lead Independent Director, solely for the purpose of chairing these executive sessions. The Independent Directors met in four executive sessions during 2008.

Communicating with the Board of Directors. The Company provides a process for stockholders and other interested parties to send communications to the Board or any of the directors. Such persons may send written communications to the Board or any of the directors c/o the Company's Vice President – Corporate Communications and Investor Relations, CBL & Associates Properties, Inc., 2030 Hamilton Place Blvd., Suite 500, CBL Center, Chattanooga, Tennessee, 37421-6000. All communications will be compiled by the Company's Vice President – Corporate Communications and Investor Relations and submitted to the Board or the individual director(s) to whom such communication is addressed. It is the Company's policy that all directors attend the Annual Meeting unless they are prevented from attending due to scheduling conflicts or important personal or business reasons; provided, however, it is the Company's policy that a majority of the directors (including a majority of the Company's Independent Directors) attend each Annual Meeting. All of the Company's directors attended the 2008 Annual Meeting of Stockholders.

Code of Business Conduct and Ethics. The Board has adopted a Second Amended and Restated Code of Business Conduct and Ethics (the "Code of Business Conduct") that applies to all directors, officers and employees, including the Company's principal executive officer, principal financial officer and principal accounting officer. The Code of Business Conduct is available in the "Investing – Governance Documents" section of the Company's website at cblproperties.com, or at no charge by written request to the Company's Vice President – Corporate Communications and Investor Relations at the address provided above. The purpose of the Code of Business Conduct is to provide a codification of standards that is reasonably designed to deter wrongdoing and to promote accountability for and adherence to the standards of the Code, including honest and ethical conduct; the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in the Company's filings with the SEC and in other public communications by the Company; and compliance with all applicable rules and regulations that apply to the Company and to its directors, officers and employees.

Board of Directors' Meetings and Committees

The Board of Directors has established standing Executive, Audit, Compensation and Nominating/ Corporate Governance Committees. The Board of Directors met nine times and took action by unanimous written consent one time during 2008. Each director attended more than 75% of the aggregate of (i) the total number of Board meetings and (ii) the total number of meetings of Board committees on which the director served at the time during 2008.

Executive Committee. The Executive Committee is comprised of Charles B. Lebovitz (Chairman), John N. Foy and Leo Fields. The Executive Committee may exercise all the powers and authority of the Board of Directors of the Company in the management of the business and affairs of the Company as permitted by law; provided, however, unless specifically authorized by the Board of Directors, the Executive Committee may not exercise the power and authority of the Board of Directors with respect to (i) the declaration of dividends, (ii) issuance of stock, (iii) amendment to the Company's Certificate of Incorporation or Bylaws, (iv) filling vacancies on the Board of Directors, (v) approval of borrowings in excess of \$40 million per transaction or series of related transactions, (vi) hiring executive officers, (vii) approval of acquisitions or dispositions of property or assets in excess of \$40 million per transaction and (viii) certain transactions between the Company and its directors and officers and certain sales of real estate and reductions of debt that produce disproportionate tax allocations to CBL's Predecessor pursuant to the Company's Bylaws. The Executive Committee met four times and took action by unanimous written consent three times during 2008.

Audit Committee. The Audit Committee is comprised of Winston W. Walker (Chairman), Claude M. Ballard, Gary L. Bryenton and Matthew S. Dominski, all of whom the Board of Directors has determined are Independent Directors pursuant to the independence requirements of Sections 303A.02 and 303A.07(b) of the listing standards of the NYSE as currently applicable. The Audit Committee operates pursuant to a written amended and restated charter adopted by the Board of Directors on February 3, 2004. A copy of the amended and restated charter is available and can be accessed in the “Investing – Board Committees” section of the Company’s website at cblproperties.com, or at no charge by written request to the Company’s Vice President – Corporate Communications and Investor Relations at the address provided above. The Audit Committee is responsible for the engagement of the independent auditors and the plans and results of the audit engagement. The Audit Committee approves audit and non-audit services provided by the independent auditors and the fees for such services and reviews the adequacy of the Company’s internal accounting controls as well as the Company’s accounting policies and results. The Audit Committee met six times during 2008.

Compensation Committee. The Compensation Committee is comprised of Claude M. Ballard (Chairman), Martin J. Cleary, Matthew S. Dominski and Winston W. Walker, all of whom the Board of Directors has determined are Independent Directors. The Compensation Committee operates pursuant to a written charter adopted by the Board of Directors on February 3, 2004. A copy of the charter is available and can be accessed in the “Investing – Board Committees” section of the Company’s website at cblproperties.com, or at no charge by written request to the Company’s Vice President – Corporate Communications and Investor Relations at the address provided above. The Compensation Committee generally reviews and approves compensation programs and, specifically, reviews and approves salaries, bonuses, stock awards and stock options for officers of the Company of the level of vice president or higher. The Compensation Committee administers the Amended and Restated CBL & Associates Properties, Inc. Stock Incentive Plan (the “Stock Incentive Plan”), but typically delegates the responsibility for routine, ministerial functions related to the Stock Incentive Plan, such as the documentation and record-keeping functions concerning awards issued under the plan, to employees in the Company’s accounting and treasury departments, with assistance from Company counsel. Additional information concerning the Compensation Committee’s processes and procedures for determining director and executive officer compensation is set forth herein under the sections entitled “Director Compensation” and “Executive Compensation – Compensation Discussion and Analysis.” The Compensation Committee met three times and took action by unanimous written consent three times during 2008.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee is comprised of Gary L. Bryenton (Chairman), Claude M. Ballard, Matthew S. Dominski and Winston W. Walker, all of whom the Board of Directors has determined are Independent Directors. The Nominating/Corporate Governance Committee operates pursuant to a written charter adopted by the Board of Directors on February 3, 2004. A copy of the charter is available and can be accessed in the “Investing – Board Committees” section of the Company’s website at cblproperties.com, or at no charge by written request to the Company’s Vice President – Corporate Communications and Investor Relations at the address provided above. The Nominating/Corporate Governance Committee reviews and makes recommendations to the Board of Directors regarding various aspects of the Board of Directors’ and the Company’s governance processes and procedures. The Nominating/Corporate Governance Committee also evaluates and recommends candidates for election to fill vacancies on the Board, including consideration of the renominations of members whose terms are due to expire. The Nominating/Corporate Governance Committee requires a majority of the Company’s directors to be “independent” in accordance with applicable requirements of the Company’s Certificate of Incorporation and Bylaws as well as rules of the SEC and NYSE (including certain additional independence requirements for Audit Committee members). A set of uniform Director Independence Standards, which was used in making all such Independent Director determinations, is set forth above and is included in the Company’s Corporate Governance Guidelines, a copy of which is available in the “Investing – Governance Documents” section of the Company’s website at cblproperties.com. In addition and as part of the evaluation of potential candidates, the Nominating/Corporate Governance Committee considers the breadth of a candidate’s business and professional skills and experiences, diversity of background, reputation for personal integrity, and ability to devote sufficient time to Board service, as well as the Company’s needs for particular skills, insight and/or talents on the Board of Directors. For incumbent directors whose terms of office are set to expire, the Nominating/Corporate Governance Committee reviews such directors’ overall service during their term, including the number of meetings attended, level of participation and quality of performance. With respect to the Board seats presently held by Mr. Cleary and Mr. Bryenton, the Nominating/Corporate Governance Committee

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also considers the Company's contractual commitments in connection with the terms of the Jacobs Acquisition, as discussed above.

The Nominating/Corporate Governance Committee will consider candidates for Board of Directors' seats proposed by stockholders. Any such proposals should be made in writing to CBL & Associates Properties, Inc., 2030 Hamilton Place Blvd., Suite 500, CBL Center, Chattanooga, Tennessee, 37421-6000, Attention: Corporate Secretary, and must be received no later than November 27, 2009, in order to be considered for inclusion in the Company's proxy statement for the 2010 Annual Meeting. In order to be considered by the Nominating/Corporate Governance Committee, any candidate proposed by stockholders will be required to submit appropriate biographical and other information equivalent to that required of all other director candidates, including consent to an initial background check. The Nominating/Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates on the criteria set forth above regardless of whether the candidate was recommended by a stockholder or by the Company. The Nominating/Corporate Governance Committee met two times and took action by unanimous written consent one time during 2008.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL

OWNERS AND MANAGEMENT

The following table sets forth information available to the Company as of March 9, 2009, with respect to the ownership of Common Stock by (i) each person known to the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, (ii) each director of the Company, (iii) each Named Executive Officer of the Company, as defined below, and (iv) all directors and executive officers as a group. Except as otherwise indicated, each person named below has sole investment and voting power with respect to the securities shown. Except as otherwise indicated, the address of each beneficial owner of more than 5% of the outstanding Common Stock is the Company's address.

	Number of	Rule 13d-3	Fully-Diluted
	<u>Shares(1)</u>	<u>Percentage(1)</u>	<u>Percentage(2)</u>
T. Rowe Price Associates, Inc. (3) 100 E. Pratt Street Baltimore, MD 21202	5,491,320	8.27%	4.69%
Barclays Global Investors, NA (4) 400 Howard Street San Francisco, CA 94105	4,978,200	7.50%	4.25%
The Vanguard Group, Inc (5). 100 Vanguard Blvd. Malvern, PA 19355	4,893,393	7.37%	4.18%
Affiliates of Jacobs Realty Investors Limited Partnership (6) 25425 Center Ridge Road Cleveland, OH 44145-4122	22,913,538	25.65%	19.58%
CBL & Associates, Inc. ("CBL's Predecessor") (7)	17,663,908	21.78%	15.10%
Charles B. Lebovitz (8)	19,349,764	23.53%	16.54%
John N. Foy (9)	1,228,123	1.84%	1.05%
Stephen D. Lebovitz (10)	989,321	1.48%	*
Ronald L. Fullam (11)	69,354	*	*
Eric P. Snyder (12)	108,256	*	*
R. Stephen Tingle (13)	65,954	*	*
Martin J. Cleary (14)	447,136	*	*
Leo Fields (15)	138,550	*	*
Claude M. Ballard (16)	114,150	*	*
Winston W. Walker (17)	113,150	*	*
Matthew S. Dominski (18)	2,500	*	*
Gary L. Bryenton (19)	7,150	*	*
All executive officers and directors (22 persons) as a group (20)	24,450,688	28.88%	20.84%

* Less than 1%

- (1) The Company conducts all of its business activities through the Operating Partnership. Pursuant to the Third Amended and Restated Partnership Agreement of the Operating Partnership and all subsequent amendments thereto (collectively, the "Operating Partnership Agreement"), each of the partners of the Operating Partnership, which include, among others, CBL's Predecessor and certain of the executive officers named in this Proxy Statement, has the right ("CBL Rights") to exchange all or a portion of its common units or special common units (as applicable) in the Operating Partnership for shares of Common Stock or their cash equivalent, at the Company's election. Under the terms of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), shares of Common Stock that may be acquired within 60 days are deemed outstanding for purposes of computing the percentage of Common Stock owned by a stockholder. Therefore, for purposes of Rule 13d-3 of the Exchange Act, percentage ownership of the Common Stock is computed based on the sum of (i) 66,407,096 shares of Common Stock actually outstanding as of March 9, 2009, (ii) as described in the accompanying footnotes, each individual's or entity's share of 50,610,613 shares of Common Stock that may be acquired upon exercise of CBL Rights by the individual or entity whose percentage of share ownership is being computed (but not taking account of the exercise of CBL Rights by any other person or entity) and (iii) as described in the accompanying footnotes, each individual's share of 331,190 shares of Common Stock that may be acquired within 60 days of March 9, 2009 upon the exercise of outstanding options by the individual whose percentage of share ownership is being computed (but not taking into account the exercise of such outstanding options by any other person). Amounts shown were determined without regard to applicable ownership limits contained in the Company's Certificate of Incorporation.
- (2) The Fully-Diluted Percentage calculation is based on (i) 66,407,096 shares of Common Stock outstanding and (ii) assumes the full exercise of all CBL Rights for shares of Common Stock by all holders of common units and SCUs of the Operating Partnership (in each case, without regard to applicable ownership limits), for an aggregate of 117,017,709 shares of Common Stock. The Fully-Diluted Percentage calculation does not include 331,190 shares of Common Stock subject to outstanding stock options other than, with respect to each person whose fully-diluted percentage is being computed, shares which may be acquired within 60 days of March 9, 2009 upon the exercise of outstanding options.
- (3) In a Schedule 13G/A filed on February 12, 2009 by T. Rowe Price Associates, Inc. ("TRP") and one of its affiliated companies, TRP reported, as of December 31, 2008, aggregate beneficial ownership of 5,491,320 shares of Common Stock, or 14.96% of the total shares outstanding as of March 9, 2009. TRP and its affiliate reported that, of the 5,491,320 shares of Common Stock beneficially owned, they possessed sole voting power with respect to 5,486,820 shares of Common Stock and sole dispositive power with respect to 5,491,320 shares of Common Stock, as follows: TRP (sole voting power over 1,041,400 shares and sole dispositive power over 5,491,320 shares); T. Rowe Price Real Estate Fund, Inc. (sole voting power over 4,445,420 shares and sole dispositive power over 0 shares).
- (4) In a Schedule 13G filed on February 5, 2009 by Barclays Global Investors, NA ("BGI") and a group of its affiliated companies, BGI reported, as of December 31, 2008, aggregate beneficial ownership of 4,978,200 shares of Common Stock, or 7.50% of the total shares outstanding as of March 9, 2009. Of the 4,978,200 shares of Common Stock beneficially owned, BGI and its affiliates reported that they possessed sole voting power with respect to 4,476,278 shares of Common Stock and sole dispositive power with respect to 4,978,200 shares of Common Stock, as follows: BGI (sole voting power over 3,176,432 shares and sole dispositive power over 3,655,440 shares); Barclays Global Fund Advisors (sole voting and dispositive power over 1,066,595 shares); Barclays Global Investors, Ltd. (sole voting power over 98,337 shares and sole dispositive power over 121,251 shares); Barclays Global Investors Japan Limited (sole voting and dispositive power over 121,085 shares); Barclays Global Investors Canada Limited (sole voting and dispositive power over 6,131 shares); and Barclays Global Investors Australia Limited (sole voting and dispositive power over 7,698 shares).
- (5) In a Schedule 13G filed on February 13, 2009 by The Vanguard Group, Inc. ("Vanguard"), Vanguard reported that as of December 31, 2008, it beneficially owned 4,893,393 shares of Common Stock, or 7.37% of the total shares outstanding as of March 9, 2009. Vanguard reported that of the 4,893,393 shares of

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Common Stock beneficially owned, it possesses sole voting power with respect to 27,559 shares of Common Stock and sole dispositive power with respect of 4,893,393 shares of Common Stock.

- (6) Includes 22,913,538 shares of Common Stock that may be acquired by the Jacobs Group on exercise of CBL Rights with respect to SCUs owned by the Jacobs Group. The Jacobs Group received the above-referenced SCUs as part of the Jacobs Acquisition. See "Election of Directors – Certain Terms of the Jacobs Acquisition."
- (7) Includes (i) 2,985,678 shares of Common Stock owned directly (410,000 of which are pledged to First Tennessee Bank as security for a line of credit extended to CBL's Predecessor), (ii) 14,483,498 shares of Common Stock that may be acquired upon the exercise of CBL Rights and (iii) 194,732 shares of Common Stock that may be acquired by four entities controlled by CBL's Predecessor (CBL Employees Partnership/Conway, Foothills Plaza Partnership, Girvin Road Partnership and Warehouse Partnership) upon the exercise of CBL Rights.
- (8) Includes (i) 447,531 shares of unrestricted Common Stock owned directly, (ii) 23,640 shares of restricted Common Stock that Mr. Lebovitz received under the Stock Incentive Plan (3,000 of which will vest within sixty days of March 9, 2009), (iii) 10,847 shares owned by Mr. Lebovitz's wife and 41,645 shares held in trusts for the benefit of his grandchildren (of which Mr. Lebovitz disclaims beneficial ownership), all as to which Mr. Lebovitz may be deemed to share voting and investment power, (iv) 705,806 shares of Common Stock that may be acquired by Mr. Lebovitz upon the exercise of CBL Rights, (v) 17,663,908 shares of Common Stock beneficially owned by CBL's Predecessor as described in Note (7) above, which Mr. Lebovitz may be deemed to beneficially own by virtue of his control of CBL's Predecessor, and (vi) 456,388 shares of Common Stock that may be acquired by College Station Associates, an entity controlled by Mr. Lebovitz, upon the exercise of CBL Rights.
- (9) Includes (i) 759,545 shares of unrestricted Common Stock owned directly, (ii) 23,640 shares of restricted Common Stock that Mr. Foy received under the Stock Incentive Plan (3,000 of which will vest within sixty days of March 9, 2009), (iii) 2,456 shares of Common Stock held by a family trust as to which Mr. Foy serves as trustee; (iv) 378,482 shares of Common Stock that may be acquired by Mr. Foy upon the exercise of CBL Rights and (v) 64,000 shares of Common Stock subject to currently exercisable options granted under the Stock Incentive Plan. Totals do not include Mr. Foy's pro-rata interest in 1,000 shares held by an investment club of which he is a member, but as to which he exercises no voting or investment power.
- (10) Includes (i) 462,409 shares of unrestricted Common Stock owned directly, (ii) 23,640 shares of restricted Common Stock that Mr. Lebovitz received under the Stock Incentive Plan (3,000 of which will vest within sixty days of March 9, 2009), and (iii) 503,272 shares of Common Stock that may be acquired by Mr. Lebovitz upon the exercise of CBL Rights.
- (11) Includes (i) 41,145 shares of Common Stock owned directly and (ii) 28,209 shares of Common Stock subject to currently exercisable stock options granted to Mr. Fullam under the Stock Incentive Plan.
- (12) Includes (i) 11,378 shares of unrestricted Common Stock owned directly (10,378 of which are held in a joint account with Mr. Snyder's wife and (ii) 96,878 shares of Common Stock that may be acquired by Mr. Snyder upon the exercise of CBL Rights.
- (13) Includes (i) 65,651 shares of Common Stock owned directly, (ii) 243 shares of Common Stock owned by Mr. Tingle's individual retirement account, and (iii) 60 shares of Common Stock owned by Mr. Tingle's wife as custodian for their children under the Uniform Gifts to Minors Act, as to which he may be deemed to share voting and investment power.
- (14) Includes (i) 441,186 shares of Common Stock that may be acquired by Mr. Cleary upon the exercise of CBL Rights with respect to SCUs indirectly owned by Mr. Cleary and which are included in the amount shown for the Jacobs Group, see Footnote (7) above, (ii) 2,000 shares of Common Stock subject to currently exercisable

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stock options granted to Mr. Cleary under the Stock Incentive Plan and (iii) 3,950 shares of restricted Common Stock granted to Mr. Cleary under the Stock Incentive Plan.

- (15) Includes (i) 53,000 shares of Common Stock owned by a family limited partnership created by Mr. Fields and his wife and in which Mr. Fields serves as a general partner (including 1,000 shares of restricted Common Stock, as discussed below), (ii) 80,600 shares of Common Stock held by members of Mr. Fields' family, with respect to which Mr. Fields acts as investment adviser and might be deemed to share investment power, and of which Mr. Fields disclaims beneficial ownership, (iii) 2,000 shares of Common Stock owned by Mr. Fields as a tenant-in-common with his wife and (iv) 3,950 shares of restricted Common Stock granted to Mr. Fields under the Stock Incentive Plan (2,950 of which Mr. Fields holds directly and 1,000 of which he holds as part of the 53,000 shares held by his family limited partnership).
- (16) Includes (i) 61,050 shares of Common Stock owned directly, (ii) 1,950 shares held in a family trust, as to which Mr. Ballard serves as a Co-Trustee, (iii) 23,000 shares of Common Stock owned by a family limited partnership created by Mr. Ballard and his wife and in which Mr. Ballard serves as a general partner, (iv) 24,200 shares of Common Stock owned by the Ballard Family Foundation as to which Mr. Ballard may be deemed to share voting and investment power and of which Mr. Ballard disclaims beneficial ownership, and (v) 3,950 shares of restricted Common Stock granted to Mr. Ballard under the Stock Incentive Plan.
- (17) Includes (i) 100,000 shares of Common Stock owned by a trust of which Mr. Walker is a co-trustee and co-beneficiary, as to which he may be deemed to share voting and investment power, (ii) 6,200 shares of Common Stock owned by Mr. Walker's individual retirement account, (iii) 3,000 shares of Common Stock owned by Mr. Walker's wife, as to which he may be deemed to share voting and investment power and (iv) 3,950 shares of restricted Common Stock granted to Mr. Walker under the Stock Incentive Plan.
- (18) Includes 3,250 shares of restricted Common Stock granted to Mr. Dominski under the Stock Incentive Plan.
- (19) Includes (i) 1,200 shares of Common Stock owned directly, (ii) 2,000 shares of Common Stock subject to currently exercisable stock options granted to Mr. Bryenton under the Stock Incentive Plan and (iii) 3,950 shares of restricted Common Stock granted to Mr. Bryenton under the Stock Incentive Plan.
- (20) Includes an aggregate of (i) 6,044,017 shares of unrestricted Common Stock beneficially owned directly or indirectly by members of such group (410,000 of which are pledged as security for a line of credit and an additional 16,672 of which are held in brokerage accounts subject to margin lending arrangements), (ii) 140,620 shares of restricted Common Stock that members of such group received under the Stock Incentive Plan (14,520 of which will vest within sixty days of March 9, 2009), (iii) 17,934,862 shares of Common Stock that may be acquired by members of such group upon the exercise of CBL Rights which they hold directly or indirectly through other entities and (iv) 331,190 shares of Common Stock subject to options granted to members of such group under the Stock Incentive Plan that are currently exercisable. Pursuant to applicable SEC rules, totals reported above for beneficial ownership as of March 9, 2009 include shares beneficially owned by three individuals (Messrs. Fullam, Snyder and Tingle) who, as discussed below, are "Named Executive Officers" for purposes of the disclosures contained in this Proxy Statement, but were no longer employed by the Company as of March 9, 2009.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who own more than ten percent of a registered class of the Company's equity securities to file with the SEC initial reports of ownership and reports of changes in beneficial ownership of Common Stock and other equity securities of the Company. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports they file.

Based solely upon the Company's review of copies of such reports furnished to it through the date hereof, or written representations that no other reports were required to be filed, the Company believes that during the fiscal year ended December 31, 2008 all officers, directors and ten percent stockholders complied with the filing requirements applicable to them, except for the following late filings for the following executive officers: Howard B. Grody (1 report covering 1 transaction); Charles W. A. Willett, Jr. (1 report covering 1 transaction); Charles B. Lebovitz (1 report covering 5 transactions); and, due to an oversight in the Company's reporting of certain exempt tax withholding transactions concerning restricted stock that vested in May 2008, 1 report covering 1 transaction for each of the following executive officers: Ronald L. Fullam, Stephen D. Lebovitz, Mark D. Mancuso, Charles H. May II, Jerry L. Sink, R. Stephen Tingle, and Charles W. A. Willett, Jr. Additionally, Ben S. Landress had one late amendment filed to correct a 40-share error on a transaction that otherwise was timely reported. The Company is not aware of any other failures to file a required report by any of its Section 16(a) reporting persons.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview: Compensation Process and Philosophy

The Company is a self-managed, self-administered, fully-integrated real estate company which is engaged in the ownership, marketing, management, leasing, expansion, development, redevelopment, acquisition and financing of regional malls, open air and community centers. The Company itself has no employees other than its statutory officers and its officers receive all of their compensation in their capacity as employees of the Management Company, which also employs all of the other personnel engaged in the operation of the Company's business.

The Compensation Committee determines all matters related to the compensation of all officers of the Company of the level of vice president or higher and administers the Company's Amended and Restated Stock Incentive Plan, as amended (the "Stock Incentive Plan"). The Compensation Committee operates under a written charter adopted by the Board of Directors on February 3, 2004. A copy of the charter is available and can be accessed in the "Investing – Board Committees" section of the Company's website at cblproperties.com. Historically, the Compensation Committee typically met twice during each year. As discussed below, however, beginning in 2008 a third regularly scheduled meeting was added in the first quarter of each year related to consideration of the amount of annual restricted stock awards (if any) to be granted under the Stock Incentive Plan. The Compensation Committee may meet more often if needed.

The factors, objectives and policies underlying each element of compensation paid to the "Named Executive Officers," as determined in accordance with SEC rules, are discussed below. For 2008, the group of Named Executive Officers included three executives whose employment with the Company is continuing in 2009: Charles B. Lebovitz, the Company's Chairman and Chief Executive Officer; John N. Foy, its Vice Chairman, Chief Financial Officer and Treasurer; and Stephen D. Lebovitz, its President and Secretary. The Company's Named Executive Officers for 2008 also included three former officers who received retirement and/or severance benefits which, under applicable SEC rules, placed them in this group: Eric P. Snyder, the Company's former Senior Vice President – Director of Corporate Leasing; Ronald L. Fullam, a former Senior Vice President – Development of the Company; and R. Stephen Tingle, a former Senior Vice President – Development of the Company.

The Compensation Committee's objectives in administering the Company's executive compensation with respect to the Named Executive Officers are to ensure that pay levels and incentive compensation are competitive in attracting and retaining the best personnel, properly linked to the Company's performance, and simple in design. To fulfill these objectives, the compensation approach for the Named Executive Officers includes three primary elements: (i) base salary, (ii) discretionary bonuses and (iii) periodic grants of stock awards and stock options pursuant to the Stock Incentive Plan. Rather than utilize complicated, formula-based plans to compensate the Company's executives on the basis of performance targets or other criteria, the Compensation Committee has chosen (as discussed in more detail below) to rely on grants of time-vesting restricted stock, coupled with an opportunity for officers to elect to receive annual bonuses in unrestricted shares of Common Stock, as a means of providing compensation to CBL's executives which rewards them for the creation of long-term value for the Company's stockholders. The Compensation Committee believes that this approach best serves the objective of linking management's long-term economic interests with those of CBL's stockholders while also making this linkage as transparent as possible by preserving relative simplicity in the design and operation of the compensation plans.

The base salary and discretionary cash bonus components of the compensation of the Named Executive Officers are designed to provide the Company's executives with immediate, tangible rewards commensurate with the Compensation Committee's evaluation of their current contributions to the Company's performance.

The Compensation Committee believes that one of the most effective means of both encouraging and rewarding the creation of long-term value for the Company's stockholders by senior executives (including the Named Executive Officers), as well as retaining superior management talent, is to use the Stock Incentive Plan to

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ensure that such individuals attain a significant proprietary interest in the Company. As detailed above under the heading “Corporate Governance Matters – Additional Policy Statements,” the Company has adopted stock ownership guidelines for both non-employee directors and executive officers in its Corporate Governance Guidelines. The Compensation Committee, as well as the entire Board of Directors, believes that it is in the best interests of the Company’s stockholders for those who manage and oversee the Company’s operations to have a stake in the creation of long-term stockholder value. The time-vesting stock option and stock award elements of compensation, coupled with the opportunity (as discussed below) offered to all of the Company’s officers to receive amounts payable with respect to annual bonuses in unrestricted shares of Common Stock, are designed to work in conjunction with the stock ownership guidelines to encourage and create ownership and retention of the Company’s stock by both directors and key employees (including the Named Executive Officers), thereby matching their interests to those of stockholders and allowing the opportunity for such individuals to build a meaningful ownership stake in the Company.

Additionally, the Company’s four most senior executives – three of whom are Named Executive Officers Charles B. Lebovitz, John N. Foy and Stephen D. Lebovitz – historically have had agreements under the Stock Incentive Plan pursuant to which they receive all amounts representing annual increases over each of their base salaries since 1995 (net of the dollar amounts withheld for taxes) in the form of quarterly installments of the Company’s unrestricted Common Stock rather than cash, with the number of shares issued in payment of each such installment determined based on application of the market price for the Common Stock on the last trading day in each of the three months during the quarter to the amount of salary accrued during each such month. While Stephen D. Lebovitz requested the termination of this arrangement as to his future compensation for personal reasons during 2008 (which the Compensation Committee approved effective November 1, 2008), the Committee believes that these arrangements have set a favorable tone for management decisions throughout the organization, in that they represent a significant historical commitment by the Company’s top management to align both their immediate and long-term financial interests with those of the Company’s stockholders.

The Compensation Committee receives recommendations from CBL’s senior management as to the three elements that make up the compensation of the Named Executive Officers: (1) the base salaries for the Named Executive Officers, in conjunction with the preparation and approval of an annual executive compensation budget for the Company; (2) the maximum potential bonus to be provided for each Named Executive Officer, in conjunction with the preparation and approval of the annual executive compensation budget; and (3) the recommended amount of annual restricted stock grants to each Named Executive Officer, in conjunction with the preparation and approval of annual grants of restricted stock under the Company’s Stock Incentive Plan. Management’s recommended executive compensation budget, pursuant to which annual base salaries and bonus opportunities are determined, is normally approved for each year during the fourth quarter of the preceding fiscal year. Beginning with the restricted stock grants approved in February 2008 (in consideration of 2007 performance), management’s recommendations concerning the annual restricted stock awards for each year normally will be presented to the Compensation Committee at a meeting during the first quarter of the following year (usually in February), to allow both management and the Compensation Committee to consider the Company’s financial and operating results for the full preceding year in making such awards.

Management’s recommendations are presented to the Compensation Committee by the Company’s Chief Executive Officer, Charles B. Lebovitz, who, in consultation with senior management, including Augustus N. Stephas, John N. Foy and Stephen D. Lebovitz and others, prepares management’s recommendations regarding these matters. These recommendations include a recommendation regarding the annual base salary and potential annual bonus for Charles B. Lebovitz as the Company’s Chief Executive Officer, although the final decisions regarding these matters are left to the discretion of the Compensation Committee to determine based on the Committee’s own deliberations. Charles B. Lebovitz normally attends each meeting of the Compensation Committee by invitation (as do John N. Foy and Stephen D. Lebovitz, pursuant to invitations extended to all members of the Board to attend each Compensation Committee meeting). While neither Charles B. Lebovitz nor any other director who is not a member of the Compensation Committee has any vote on the Committee’s decisions, Charles B. Lebovitz has the primary responsibility for presenting management’s recommendations concerning the compensation for the Named Executive Officers and other officers of the Company to the Committee, and he participates actively in the Compensation Committee’s discussion of such matters.