

SMITH ROBERT H  
Form 4  
January 04, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SMITH ROBERT H

2. Issuer Name and Ticker or Trading Symbol  
VORNADO REALTY TRUST  
[VNO]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
2345 CRYSTAL DRIVE, SUITE 1000

3. Date of Earliest Transaction (Month/Day/Year)  
01/02/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman - Smith Division

(Street)  
ARLINGTON, VA 22202

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Price				
				Code	V	Amount	(D)	Price	
Common Shares	01/02/2007		M		11,506	A	(2)	22,014 (12)	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**



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(2) Holders of Class A units ("Class A Units") of Vornado Realty L.P. ("VRLP") have the right to have their Class A Units redeemed in whole or in part by VRLP for cash equal to their fair market value, at the time of redemption, of one Common Share of Vornado Realty Trust ("VNO") for each Class A Unit redeemed, or, at the option of VNO, one Common Share of VNO for each Class A Unit tendered for redemption.

(3) On December 19, 2005, closing occurred under the Contribution Agreement dated May 12, 2005, as amended, among Mr. Smith, Vornado Realty L.P. and certain Vornado Realty Trust affiliates. At the closing, Mr. Smith and certain other partners or members of certain entities contributed their interests in those entities to a subsidiary of Vornado Realty L.P., and in exchange Mr. Smith received the right to receive his pro rata share of Class A Units issued to such contributors.

(4) Class A Units have no expiration date.

(5) These Class A Units (which were issued on 1/1/02) are immediately redeemable. Class A Units have no expiration date.

(6) Mr. Smith interest in these Class A Units is held by RCS-II LLC. Mr. Smith disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein.

(7) Mr. Smith's interest in these Class A Units is held by RCS-I LLC. Mr. Smith disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein.

(8) Mr. Smith disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of these securities for the purpose of Section 16 or any other purpose.

(9) Mr. Smith's interest in these Class A Units is held by 1730 M Street Associates L.P. Mr. Smith disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein.

(10) Mr. Smith's interest in these Class A Units is held by MC Associates LLC. Mr. Smith disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein.

(11) Mr. Smith's interest in these Class A Units is held by MCII Associates LLC. Mr. Smith disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein.

(12) 19,750 of these Common Shares were originally issued as restricted stock; under the terms of the Issuer's 2002 Omnibus Share Plan. Of these 19,750 Common Shares, (i) 5,000 Common Shares of restricted stock were granted on 1/28/03, with the shares vesting in equal portions over a five-year period with the remaining two portions vesting ratably in 1/07 and 2008, (ii) 5,000 Common Shares of restricted stock were granted on 4/1/03, with the shares vesting in equal portions over a five-year period with the remaining two portions vesting ratably in 1/07 and 2008, (iii) 6,500 Common Shares of restricted stock were granted on 2/6/04, with the shares vesting in equal portions over a five-year period with the remaining three portions vesting ratably in 1/07, 2008 and 2009 and (iv) 3,250 Common Shares of restricted stock were granted on 2/8/05, with the shares vesting in equal portions over five-year period with the remaining four portions vesting ratably in 1/07, 2008, 2009 and 2010.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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