

EQUITY LIFESTYLE PROPERTIES INC
Form DEF 14A
October 17, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary proxy statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive proxy statement
- Definitive additional materials
- Soliciting Material pursuant to §14a-12

Name of Registrant as Specified in its Charter:

EQUITY LIFESTYLE PROPERTIES, INC.

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

N/A

Payment of filing fee (check the appropriate box):

No fee required.

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2. Aggregate number of securities to which transaction applies:

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

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1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

EQUITY LIFESTYLE PROPERTIES, INC.
Two North Riverside Plaza, Suite 800
Chicago, Illinois 60606

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On November 25, 2013

You are cordially invited to attend a Special Meeting of Stockholders (the "Special Meeting") of Equity LifeStyle Properties, Inc., a Maryland corporation (the "Company"). The Special Meeting will be held on Monday, November 25, 2013, at 10:00 a.m. Central Time at Two North Riverside Plaza, Twenty-Fourth Floor, Chicago, Illinois 60606. At the Special Meeting, common stockholders of record at the close of business on October 4, 2013 (the "Record Date") will be asked to:

Consider and vote upon a proposal to amend the Company's charter to increase from 100,000,000 to 200,000,000 the number of shares of Common Stock the Company is authorized to issue.

Your vote is important to us. Whether or not you plan to attend the Special Meeting, we urge you to vote as soon as possible. Instructions on how to vote are contained in this Proxy Statement. Only common stockholders of record at the close of business on the Record Date will be entitled to notice of, and to vote at, the Special Meeting, and at any adjournments or postponements of it. If you attend the Special Meeting, you may vote in person if you wish, even if you have previously voted. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the Special Meeting, you must obtain a proxy issued in your name from such broker, bank or other nominee.

Thank you for your continued support of Equity LifeStyle Properties, Inc.

By Order of the Board of Directors

Kenneth A. Kroot
Senior Vice President, General Counsel
and Secretary
October 17, 2013

IMPORTANT: WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, YOU ARE REQUESTED TO VOTE YOUR SHARES AS PROMPTLY AS POSSIBLE. IN ADDITION TO VOTING IN PERSON, STOCKHOLDERS OF RECORD MAY VOTE VIA A TOLL FREE TELEPHONE NUMBER OR OVER THE INTERNET AS INSTRUCTED IN THE PROXY CARD. YOU MAY ALSO VOTE BY PROMPTLY MARKING, SIGNING, DATING AND MAILING THE PROXY CARD IN THE RETURN ENVELOPE PROVIDED. PLEASE NOTE THAT IF YOUR SHARES ARE HELD BY A BROKER OR OTHER INTERMEDIARY AND YOU WISH TO VOTE AT THE SPECIAL MEETING, YOU MUST OBTAIN A LEGAL PROXY FORM FROM THAT RECORD HOLDER.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SPECIAL MEETING TO BE HELD ON NOVEMBER 25, 2013.

The Company's Proxy Statement for the Special Meeting, the proxy card and this notice are available at <http://www.astproxyportal.com/ast/26115>

Equity LifeStyle Properties, Inc.
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EQUITY LIFESTYLE PROPERTIES, INC.

Two North Riverside Plaza, Suite 800

Chicago, Illinois 60606

PROXY STATEMENT

INTRODUCTION

This Proxy Statement contains information related to a Special Meeting of Stockholders (the “Special Meeting”) of Equity LifeStyle Properties, Inc., a Maryland corporation (“we”, “us”, “our” or the “Company”), which will be held on Monday, November 25, 2013, at 10:00 a.m. Central Time at Two North Riverside Plaza, Twenty-Fourth Floor, Chicago, Illinois 60606. The notice of special meeting, proxy statement and proxy card are being mailed to stockholders on or about October 21, 2013.

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING

What is the Purpose of the Special Meeting?

At the Special Meeting, stockholders will vote on a proposal to amend the Company’s charter to increase from 100,000,000 to 200,000,000 the number of shares of Common Stock the Company is authorized to issue (the “Proposal”).

Who Is Entitled to Vote?

You will be entitled to vote your shares of Common Stock on the Proposals if you held your shares of Common Stock at the close of business on October 4, 2013 (the “Record Date”). As of the close of business on the Record Date, a total of 83,328,295 shares of Common Stock were outstanding and entitled to vote. Each share of Common Stock entitles its holder to cast one vote for each matter to be voted upon.

What Is Required to Hold the Special Meeting?

The presence at the Special Meeting, in person or by proxy, of the holders of a majority of the shares of Common Stock outstanding and entitled to vote on the Record Date will constitute a quorum permitting business to be conducted at the Special Meeting. If you have returned valid proxy instructions or you attend the Special Meeting and vote in person, your shares of Common Stock will be counted for purposes of determining whether there is a quorum, even if you abstain from voting on any or all matters introduced at the Special Meeting.

How Do I Vote?

Your vote is important. Stockholders can vote in person at the Special Meeting or by proxy. Stockholders have a choice of authorizing a proxy (i) over the internet by following the instructions on the proxy card, (ii) by using the toll-free telephone number listed on the proxy card or (iii) by completing a proxy card and mailing it in the postage-paid envelope provided. Please refer to the instructions on the proxy card or the information forwarded by your bank, broker or other nominee to see which options are available to you. If you vote over the internet or by telephone, you do NOT need to return your proxy card. If you authorize a proxy, the individuals named on the proxy card as representatives will vote your shares of Common Stock in the manner you indicate. You may specify whether your shares of Common Stock should be voted for or against, or abstained from voting on, the Proposal. Stockholders who wish to vote in person at the Special Meeting will need to obtain a proxy form from the broker, bank or other nominee that holds of record their shares of Common Stock.

Can I Change or Revoke My Proxy?

Yes, you may change your proxy at any time before the Special Meeting by timely delivery of a properly executed, later-dated proxy (including internet or phone proxy) or by voting in person at the Special Meeting. You may revoke your proxy by filing a written notice with our secretary at our address at any time before the Special Meeting. The powers of the proxy holders will be suspended if you attend the Special Meeting in person and request that they be so suspended. However, attendance (without further action) at the Special Meeting will not by itself revoke a previously granted proxy.

What is the Board of Directors’ Recommendation?

If no instructions are indicated on your valid proxy, the representatives holding your proxy will vote in accordance with the recommendations of the Company's Board of Directors. The Board of Directors unanimously recommends a vote:

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FOR approval of the Proposal to amend the Company's charter to increase from 100,000,000 to 200,000,000 the number of shares of Common Stock the Company is authorized to issue.

Pursuant to Maryland law and the Company's Bylaws, the business transacted at the Special Meeting will be limited to the Proposal described above.

What Vote is Needed to Approve the Proposal?

The affirmative vote of the holders of record of two-thirds of all the votes entitled to be cast is required for approval of the amendment of the Company's charter increasing from 100,000,000 to 200,000,000 the number of shares of Common Stock the Company is authorized to issue. In addition, a quorum must be present at the Special Meeting. We will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence or absence of a quorum. However, abstentions will have the effect of votes against the Proposal. Broker "non-votes," or proxies from brokers or nominees indicating that such broker or nominee has not received instructions from the beneficial owner or other entity entitled to vote such shares on a particular matter with respect to which such broker or nominee does not have discretionary voting power, will be treated in the same manner as abstentions for purposes of the Special Meeting. If you are a beneficial owner whose shares of Common Stock are held of record by a broker, your broker has discretionary voting authority under New York Stock Exchange ("NYSE") rules to vote your shares on the Proposal even if the broker does not receive voting instructions from you. The Proposal, if approved, does not entitle any of the stockholders to appraisal rights under Maryland law.

How is My Vote Counted?

If you properly execute a proxy in the accompanying form, and if we receive it prior to voting at the Special Meeting, the shares of Common Stock that the proxy represents will be voted in the manner specified in the proxy. If no specification is made, the Common Stock will be voted "for" the Proposal to amend the Company's charter to increase from 100,000,000 to 200,000,000 the number of shares of Common Stock the Company is authorized to issue. Pursuant to Maryland law and the Company's Bylaws, the business transacted at the Special Meeting will be limited to the Proposal described above.

Who is Soliciting My Proxy?

This solicitation of proxies is made by and on behalf of the Board of Directors. We will pay the cost of solicitation of the proxies. We have retained American Stock Transfer and Trust Company, LLC to assist, at a de minimis cost, in the solicitation of proxies. In addition to the solicitation of proxies by mail, our directors, officers and employees may solicit proxies personally or by telephone at a de minimis cost. In addition, the Company has engaged MacKenzie Partners, Inc. to act as its proxy solicitor and has agreed to pay it approximately \$8,000 plus reasonable expenses for such services.

No person is authorized on our behalf to give any information or to make any representations with respect to the Proposal other than the information and representations contained in this Proxy Statement, and, if given or made, such information and/or representations must not be relied upon as having been authorized, and the delivery of this Proxy Statement shall not, under any circumstances, create any implication that there has been no change in our affairs since the date hereof.

PROPOSAL

APPROVAL OF AN AMENDMENT TO THE CHARTER INCREASING TO 200,000,000 THE NUMBER OF SHARES OF COMMON STOCK THE COMPANY IS AUTHORIZED TO ISSUE

The Board of Directors has approved an amendment to the Company's charter increasing from 100,000,000 to 200,000,000 the number of shares of Common Stock the Company is authorized to issue and has directed that this Proposal be submitted for consideration at the Special Meeting.

At the time of its initial public offering in 1993, the Company's charter authorized the Company to issue up to 50,000,000 shares of Common Stock and 10,000,000 shares of Preferred Stock. In 2007, the Company amended its charter to increase from 50,000,000 to 100,000,000 the number of shares of Common Stock the Company was authorized to issue. On July 15, 2013, the Company effected a 2-for-1 stock split of its Common Stock in order to lower the price to attract a broader investor base and increase stock liquidity. The stock split increased the total

number of outstanding shares of Common Stock from approximately 41,700,000 to 83,400,000.

As of the Record Date, there were approximately 83,328,295 shares of Common Stock issued and outstanding and an additional 10,635,608 shares of Common Stock were reserved for issuance upon the conversion of limited partnership units an

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d preferred stock, and pursuant to the Company's stock option and stock award plan, employee stock purchase plan and dividend reinvestment plan. In addition, 3,696,038 shares have been set aside for issuance pursuant to outstanding at-the-market offerings of Common Stock. This leaves only approximately 2,340,059 shares of Common Stock available for issuance. As a result, the Company may not have a sufficient number of authorized shares available for issuance in the future for capital raising activities, share splits and other general corporate purposes.

The Board of Directors believes that it is in the best interests of the Company to increase the number of authorized shares of Common Stock. The increase in authorized shares will provide flexibility with respect to future transactions, including acquisitions of other businesses or properties where the Company would have the option to use its Common Stock (or securities convertible into or exercisable for Common Stock, including limited partnership units) as consideration (rather than cash), financing future growth, financing transactions, repayment of debt, and other general corporate purposes. The Company does not have any present intention to issue Common Stock in the immediate future, but it does desire to have the flexibility to use Common Stock for transactions in a manner consistent with past practices, including the acquisition of additional properties, as described above. The additional shares will enable the Company to act quickly as opportunities arise and avoid the time consuming and costly need to hold a special meeting of stockholders in every case. The Board of Directors believes that, in the future, occasions may arise where the time required to obtain stockholder approval might adversely delay the Company's ability to enter into a desirable transaction or deny it the flexibility to facilitate the effective use of its securities. Therefore, the failure to approve the Proposal could, in effect, prevent the Company from continuing the pursuit of effective strategies to access capital in the public and private markets. Authorized but unissued shares of Common Stock may be used by the Company from time to time as appropriate and opportune situations arise.

Stockholders of the Company will not have any preemptive rights with respect to the additional shares being authorized. No further approval by stockholders would be necessary prior to the issuance of any additional shares of Common Stock, except as may be required by law or applicable New York Stock Exchange rules. In certain circumstances, generally relating to the number of shares to be issued and the identity of the recipient, the rules of the NYSE require stockholder authorization in connection with the issuance of such additional shares. Subject to Maryland law and the rules of the New York Stock Exchange, the Board of Directors has the sole discretion to issue additional shares of Common Stock for such consideration as may be determined by the Board of Directors. The issuance of any additional shares of Common Stock may have the effect of diluting the percentage of stock ownership of present stockholders of the Company.

The Company has not proposed the increase to its authorized Common Stock with the intention of using the additional shares for anti-takeover purposes, although the Company could theoretically use the additional stock in the future to make it more difficult or to discourage an attempt to acquire control of the Company. As of this date, the Company is unaware of any pending or threatened effort to acquire control of the Company. Further, the submission of this Proposal is not part of any plan by the Board of Directors to engage in any transaction that would require the proposed increase.

If this Proposal is approved by the stockholders, the Company's current charter will be amended to provide that the Company has the authority to issue up to 210,000,000 shares of stock, consisting of 200,000,000 shares of Common Stock and 10,000,000 shares of Preferred Stock, each with a par value \$0.01 per share. The Proposal does not change the number of authorized shares of Preferred Stock. The proposed amendment to the Company's charter deletes Article V, Section 1 of the charter and replaces it with the following:

“SECTION 1. AUTHORIZED SHARES. The total number of shares of stock which the Corporation has authority to issue is 210,000,000 shares, of which 200,000,000 shares are shares of Common Stock, \$.01 par value per share (“Common Stock”) and 10,000,000 shares are shares of Preferred Stock, \$.01 par value per share (“Preferred Stock”). The aggregate par value of all authorized shares of stock having par value is \$2,100,000.00.”

If the stockholders approve the Proposal, Articles of Amendment will be filed with the State Department of Assessments and Taxation of Maryland (the “SDAT”) and the amendment of the Company's charter as described above will be effective upon the acceptance for record of the Articles of Amendment by the SDAT.

Vote Required

The affirmative vote of the holders of record of two-thirds of all votes entitled to be cast is necessary to approve the amendment of the charter increasing to 200,000,000 the number of shares the Company is authorized to issue.

Board Recommendation

The Board unanimously recommends a vote “FOR” approval of the amendment of the charter increasing to 200,000,000 the number of shares of Common Stock the Company is authorized to issue.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

This table sets forth information with respect to persons who are known to own more than 5% of the outstanding shares of the Company's Common Stock as of June 30, 2013 (except as noted).

Name and Business Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percentage of Class
FMR LLC ⁽²⁾ 82 Devonshire Street Boston, Massachusetts 02109	11,179,868	13.4%
The Vanguard Group, Inc. ⁽³⁾ 100 Vanguard Blvd. Malvern, Pennsylvania 19355	10,061,534	12.4%
Samuel Zell and entities affiliated with Samuel Zell ⁽⁴⁾ Two North Riverside Plaza Chicago, Illinois 60606	7,296,018	8.8%
Vanguard Specialized Funds - Vanguard REIT Index Fund ⁽⁵⁾ 100 Vanguard Blvd. Malvern, Pennsylvania 19355	5,580,506	6.7%
Cohen & Steers Inc. ⁽⁶⁾ 280 Park Avenue New York, NY 10017	5,304,036	6.4%
BlackRock, Inc. ⁽⁷⁾ 40 East 52 nd Street New York, New York 10022	4,275,166	5.1%

MHC Operating Limited Partnership (the "Operating Partnership") is the entity through which the Company conducts substantially all of its operations. Certain limited partners of the Operating Partnership own units of limited partnership interest ("OP Units") which are convertible into an equivalent number of shares of Common Stock. In accordance with SEC regulations governing the determination of beneficial ownership of securities, the percentage of Common Stock beneficially owned by a person assumes that all OP Units held by the person are exchanged for Common Stock, that none of the OP Units held by other persons are so exchanged, that all options exercisable within 60 days of the Record Date to acquire Common Stock held by the person are exercised and that no options to acquire Common Stock held by other persons are exercised.

Pursuant to a Schedule 13F filed with the SEC for the quarter ended June 30, 2013, FMR LLC is the beneficial owner of 10,527,700 shares of Common Stock and has sole voting power over 652,168 shares of Common Stock and sole dispositive power over 10,527,700 shares of Common Stock.

Pursuant to a Schedule 13F filed with the SEC for the quarter ended June 30, 2013, The Vanguard Group, Inc. is the beneficial owner 9,921,806 shares of Common Stock and has sole voting power over 140,228 shares of Common Stock and sole dispositive power over 9,865,906 shares of Common Stock.

Includes Common Stock, OP Units that are exchangeable for Common Stock, and options to purchase Common (4) Stock that are currently exercisable or exercisable within 60 days of the Record Date as set forth in the table below. A portion of these amounts have been pledged as security for certain loans.

	Common Stock	OP Units	Options
Samuel Zell	1,714,182	—	1,080,000
Samuel Zell Revocable Trust	201,102	—	—
Helen Zell Revocable Trust	8,000	—	—
SZJT Holdings, L.L.C.	—	196,542	—
SZKT Holdings, L.L.C.	—	196,542	—
SZMT Holdings, L.L.C.	—	196,548	—
Samstock, L.L.C.	892,000	—	—
Samstock/SZRT, L.L.C.	588,266	27,282	—
Samstock/ZGPI, L.L.C.	12,006	—	—
Samstock/ZFT, L.L.C.	17,774	—	—
Samstock/Alpha, L.L.C.	17,774	—	—
ZFTGT Holdings, L.L.C.	—	64,280	—
ZFTJT Holdings, L.L.C.	—	299,970	—
ZFTKT Holdings, L.L.C.	—	299,970	—
ZFTMT Holdings, L.L.C.	—	299,968	—
Zell General Partnership, Inc.	—	24,066	—
EGI Holdings, Inc.	—	1,159,746	—