

INLAND WESTERN RETAIL REAL ESTATE TRUST INC  
Form PRE 14A  
November 22, 2010

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

Check the appropriate box:

- 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 §240.14a-12

Inland Western Retail Real Estate Trust, Inc.  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
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  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:

**INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.  
2901 BUTTERFIELD ROAD  
OAK BROOK, ILLINOIS 60523  
TELEPHONE: (630) 218-8000**

, 2010

Dear Stockholder:

On behalf of the Board of Directors, I cordially invite you to attend the special meeting of stockholders of Inland Western Retail Real Estate Trust, Inc. The meeting will be held on \_\_\_\_\_, 2011 at 10:00 a.m. Central Time, at our principal executive offices located at 2901 Butterfield Road, Oak Brook, Illinois 60523. I hope you will attend.

At this meeting, you are being asked to approve an amendment and restatement of our charter that is to become effective in connection with, or shortly prior to, the expected initial listing of our existing common stock on a national securities exchange. We currently intend to pursue the initial listing of our existing common stock within the next 12 months and are evaluating a concurrent offering in connection with the listing. The amendment and restatement of our charter is primarily intended to accomplish two objectives in connection with the listing of our existing common stock: (1) to permit us to implement a phased-in liquidity program in connection with the listing of our existing common stock and (2) to more closely align our charter to those of our peers with publicly listed securities. Each of these objectives is described briefly below and in more detail in the attached proxy statement.

**The Board of Directors unanimously recommends that the stockholders vote for the approval of the amendment and restatement of our charter.**

The amendment and restatement of our charter will permit us to implement a phased-in liquidity program in connection with the listing of our existing common stock. We have a large company with a substantial number of shares outstanding. If we conduct a listing without a phased-in liquidity program, all of our shares of common stock would become listed at the same time and, therefore, could be put up for sale in the public market. This could result in concentrated sales of our common stock in a short period of time immediately following our listing. Concentrated sales will likely reduce the trading price of our common stock. The potential for concentrated sales of our outstanding common stock could also make our shares less attractive to institutional and other investors in any potential concurrent offering in connection with our listing and reduce demand to buy stock and/or reduce the price investors are willing to pay. A phased-in liquidity program directly addresses this potential risk, and therefore increases the likelihood of a successful listing. As a result, we currently anticipate that we will implement a phased-in liquidity program in connection with the listing of our existing common stock that will provide for the immediate listing of 25% of our existing shares of common stock and the listing of an additional 25% of our existing shares of common stock on each of the six-month, 12-month and 18-month anniversaries of our initial listing. The attached proxy statement includes more detail regarding the structure of the phased-in liquidity program that we currently anticipate we will implement if you approve the proposal described in the accompanying proxy statement. You should note,

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however, that the amendment and restatement of our charter will provide the Board of Directors with the flexibility to implement a phased-in liquidity program in a different manner without additional stockholder approval, and we cannot assure you that the method described in the accompanying proxy statement will be utilized.

**Please note that, although the phased-in liquidity program is expected to impact the number and classification of your shares, it will have no effect on your proportional ownership interest, your voting rights, your right to receive dividends, the total amount of your dividends or your rights upon liquidation.**

The amendment and restatement of our charter will also more closely align our charter to those of our peers with publicly listed securities. Currently, our charter includes a number of provisions and restrictions that have been required by state securities administrators in order for us to publicly offer our stock without having it listed on a national securities

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exchange. Once our existing common stock is listed on a national securities exchange, these provisions and restrictions will no longer be required and, in some cases, if retained, would place restrictions on our activities that could put us at a competitive disadvantage compared to our peers with listed securities.

**Please also note that, as we currently intend to pursue the initial listing of our existing common stock on a national securities exchange within the next 12 months, we are not planning to publish an estimated annual statement of value of our common stock as of December 31, 2010.** Once we have listed, stockholders will be able to value their shares of stock by reference to the market trading prices, and an estimated annual statement of value will be unnecessary. If the listing of our existing common stock does not proceed as expected, we expect that we would resume our practice of providing an estimated annual statement of value.

The accompanying notice of the special meeting of stockholders and the proxy statement contain a description of the formal business to be acted upon by the stockholders. At this meeting, you will be entitled to vote on an amendment and restatement of our charter and a proposal to permit the Board of Directors to adjourn the special meeting, if necessary. I encourage you to read the accompanying materials carefully. Our directors and officers will be available at the meeting to answer any questions you may have.

It is important that your shares be represented at the meeting regardless of the size of your holdings. **ACCORDINGLY, WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE MEETING IN PERSON, I URGE YOU TO AUTHORIZE YOUR PROXY AS SOON AS POSSIBLE.** You may do this by completing, signing and dating the enclosed proxy card and returning it promptly in the postage pre-paid envelope provided. You may also authorize a proxy through the Internet, or by calling a toll-free telephone number, by following the procedures described in the attached proxy statement. Submitting your proxy card or authorizing a proxy via the Internet or via telephone will ensure that your shares will be represented at the meeting and voted in accordance with your wishes. If you attend the meeting, you may, if you wish, revoke your proxy and vote your shares in person.

Thank you for your continued support of and interest in our company. I and everyone at Inland Western Retail Real Estate Trust, Inc. wish you good health, happiness and prosperity.

Sincerely,

Steven P. Grimes  
Chief Executive Officer, President, Chief Financial Officer and  
Treasurer

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**INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**DATE:**                   , 2011  
**TIME: 10:00 a.m. (Central Time)**  
**PLACE: 2901 Butterfield Road**  
**Oak Brook, Illinois 60523**

To Our Stockholders:

The purpose of the special meeting is to consider and to vote upon the following proposals:

- A proposal to approve an amendment and restatement of our charter; and
- A proposal to permit the Board of Directors to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal if there are not sufficient votes for the proposal.

The Board of Directors has fixed the close of business on                   , 2010 as the record date for determining stockholders of record entitled to notice of and to vote at the meeting.

A proxy statement and proxy card accompany this notice.

We hope to have the maximum number of stockholders present in person or by proxy at the meeting. To assure your representation at the meeting, please authorize your proxy by completing, signing, dating and mailing the enclosed proxy card. You may also authorize your proxy through the Internet, or by calling a toll-free telephone number, by following the procedures described in the attached proxy statement. **YOUR COOPERATION IN PROMPTLY SUBMITTING YOUR PROXY WILL BE VERY MUCH APPRECIATED.** For specific instructions, please refer to the instructions on the proxy card.

You may use the enclosed envelope which requires no further postage, if mailed in the United States, to return your proxy. If you attend the meeting, you may revoke your proxy and vote in person, if you desire.

By order of the Board of Directors,

Dated: \_\_\_\_\_, 2010

Dennis K. Holland  
Secretary

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**INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.  
2901 BUTTERFIELD ROAD  
OAK BROOK, ILLINOIS 60523**

**PROXY STATEMENT  
FOR SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD , 2011**

Our board of directors, or Board, is furnishing you this proxy statement to solicit proxies on its behalf to be voted at the special meeting of stockholders to be held on , 2011 at 10:00 a.m. Central Time at our principal executive offices at the address set forth above, and at any and all adjournments or postponements thereof, which we refer to as the Special Meeting. We encourage your participation in the voting at the Special Meeting and solicit your support on the proposal to be presented.

This proxy statement and the accompanying proxy card are first being mailed to stockholders on or about , 2010.

Unless the context otherwise requires, all references to IWEST, the Company, our, we and us in this proxy statement relate to Inland Western Retail Real Estate Trust, Inc. and those entities owned or controlled directly or indirectly by us. The mailing address of our principal executive offices is 2901 Butterfield Road, Oak Brook, Illinois 60523 and our telephone number is (630) 218-8000.

**STOCKHOLDERS ARE URGED TO READ AND CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THIS PROXY STATEMENT.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SPECIAL MEETING TO BE HELD ON , 2011.**

**The proxy statement is available at [www.inland-western.com/2010Proxy.pdf](http://www.inland-western.com/2010Proxy.pdf).**

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**INSTRUCTION GUIDE FOR AUTHORIZING YOUR PROXY**

**THREE EASY WAYS TO AUTHORIZE YOUR PROXY WITHOUT ATTENDING  
OUR SPECIAL MEETING**

**1. Authorize Your Proxy by Mail**

Simply mark, sign, date and return the enclosed proxy card as promptly as possible in the prepaid-postage envelope enclosed.

**2. Authorize Your Proxy by Telephone**

It is fast, convenient, and your vote is immediately confirmed and posted. Using a touch-tone phone, call the toll free number, 1-800-868-5614, which is also shown on your proxy card.

**Just Follow These Four Easy Steps:**

- Read the accompanying proxy statement and proxy card;
- Call the toll-free number provided on your proxy card;
- Enter your CONTROL NUMBER located on your proxy card; and
- Follow the simple recorded instructions.

**Your vote is important!  
Call 24 hours a day**

**3. Authorize Your Proxy by Internet**



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It is fast, convenient, and your vote is immediately confirmed and posted. Using a computer, simply go to the designated website for our stockholders:

**[www.proxyvoting.com/INWEST](http://www.proxyvoting.com/INWEST)**

### **Just Follow These Four Easy Steps:**

- Read the accompanying proxy statement and proxy card;
- Go to the website **[www.proxyvoting.com/INWEST](http://www.proxyvoting.com/INWEST)**;
- Enter your CONTROL NUMBER located on your proxy card; and
- Follow the simple instructions.

**Your vote is important!**

**Go to [www.proxyvoting.com/INWEST](http://www.proxyvoting.com/INWEST) 24 hours a day**

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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND RELATED MATTERS**

We are providing you with this proxy statement, which contains information about the proposals to be voted upon at our Special Meeting. To make this information easier to understand, we have presented some of the information below in a question and answer format. These questions and answers may not address all questions that may be important to you as a stockholder of the Company. Please refer to the more detailed information contained elsewhere in this proxy statement and the exhibit to this proxy statement. See also, [Where Can I Find More Information About the Company?](#)

**Q. When and where is the Special Meeting?**

A. The Special Meeting will be held on \_\_\_\_\_, 2011 at 10:00 a.m. Central Time at 2901 Butterfield Road, Oak Brook, Illinois 60523.

**Q. Why did you send me this proxy statement?**

A. We sent you this proxy statement and the proxy card on behalf of our Board which is soliciting a proxy from you to vote your shares at the Special Meeting. This proxy statement contains information we are required to provide to you and is designed to assist you in voting your shares.

**Q. Who is entitled to vote?**

A. On or about \_\_\_\_\_, 2010, we began mailing the proxy materials to all stockholders of record as of the close of business on \_\_\_\_\_, 2010, the record date fixed by our Board for determining the holders of record of our common stock, \$.001 par value per share, entitled to notice of and to vote at the Special Meeting.

**Q. How many votes do I have?**

A. Each of the outstanding shares of our common stock, as of the close of business on the record date, is entitled to one vote on all matters to be voted upon at the Special Meeting. On the record date, there were \_\_\_\_\_ shares of common stock issued and outstanding.

**Q. What am I voting on?**

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A. At the Special Meeting, we will be asking you to consider and vote upon:

- a proposal to approve an amendment and restatement of our charter; and
- a proposal to permit our Board to adjourn the Special Meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal if there are not sufficient votes for the proposal.

**Q. What are our Board's recommendations?**

A. Our Board unanimously recommends a vote:

- **FOR** the proposal to approve an amendment and restatement of our charter; and
- **FOR** the proposal to permit our Board to adjourn the Special Meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal if there are not sufficient votes for the proposal.

**Q. Why are we seeking approval of an amendment and restatement of our charter?**

A. We currently intend to pursue the initial listing of our existing common stock within the next 12 months and are evaluating a concurrent offering in connection with the listing. The amendment and restatement of our charter is primarily intended to accomplish the following two objectives in connection with the listing of our existing common stock.

- *Permit us to implement a phased-in liquidity program.* Concentrated sales of our common stock shortly following its listing on a national securities exchange would likely reduce the trading price of your common stock. The amendment and restatement of our charter would permit us to implement a phased-in liquidity program that would reduce the likelihood that these concentrated sales would occur. We would implement this program by issuing a stock dividend to you and our other stockholders as described in more detail below.

- *More closely align our charter to those of our peers with publicly listed securities.* We expect to accomplish this objective by removing current provisions and restrictions in our charter that were required by state securities administrators. These provisions will no longer be required after the listing and, in some cases, if retained, could put us at a competitive disadvantage compared to our peers with listed securities.

**Q. Why are we pursuing an initial listing of our existing common stock at this time?**

A. We currently intend to pursue the initial listing of our existing common stock within the next 12 months. We believe that an exchange listing will provide you with a much more liquid market for your shares of common stock. Currently, your options for liquidity are very limited as our share repurchase program is suspended and, even if it wasn't, in any 12-month period, we would only be able to repurchase up to 5% of the weighted average number of shares of our common stock outstanding during the prior calendar year. An exchange listing will make it much easier for potential investors to buy our common stock and will provide a much more transparent market, as all trades on the exchange will be reported. As a result, we believe that an exchange listing will provide you with a much more liquid market for your shares of common stock.

In addition to providing more liquidity to you for your shares, we believe that an exchange listing will better position the Company for future growth. In order to capitalize on future growth opportunities, we need to be able to access capital to fund our leasing efforts, potential acquisitions and to further reduce the amount of debt we carry on our balance sheet. We believe that one important step in increasing our access to equity capital will be the listing of our existing common stock on a national securities exchange.

**Q. Why does the proposed amendment and restatement of our charter include provisions permitting us to implement a phased-in liquidity program?**

A. With a listing, we believe that liquidity is one part of a two part equation. The other part is valuation. Both parts are important. We believe that it is in the best interests of our stockholders to have stable stock pricing in the short and long term. We cannot control market forces. However, we can attempt to structure the listing of our existing common stock to increase the likelihood of success for our stockholders. The fact is we have a large company with a substantial number of shares outstanding. As of November 1, 2010, there were approximately 486,345,479 shares of our common stock outstanding. If we conduct a listing without a phased-in liquidity program, all of our shares of common stock would become listed at the same time; and, therefore, could be put up for sale in the public market. This could result in concentrated sales of our common stock in a short period of time immediately following our listing. Concentrated sales will likely reduce the trading price of our common stock. The potential for concentrated sales of our outstanding common stock could also make our shares less attractive to institutional and other investors in any potential concurrent offering in connection with our listing and reduce demand to buy stock and/or reduce the price investors are willing to pay. A phased-in liquidity program directly addresses this potential risk; and therefore, increases the likelihood of a successful listing. With a phased-in liquidity program, we believe it is more likely that our shares will be able to become traded in the public market without causing any material disruption in stock pricing.

By approving the amendment and restatement of our charter, you will allow our Board to have flexibility to implement a phased-in liquidity program in connection with the listing of our existing common stock that will increase the likelihood of a successful listing.

**Q. What is a phased-in liquidity program?**

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A. Generally, a phased-in liquidity program is a program by which stockholders' existing shares of common stock are listed on a national securities exchange over time as opposed to all at once in connection with an initial listing. For example, we currently anticipate that we will implement a phased-in liquidity program that will provide for the immediate listing of 25% of your existing shares of common stock and the listing of an additional 25% of your existing shares of common stock on each of the six-month, 12-month and 18-month anniversaries of our initial listing. You should note that, even with this phased-in liquidity program, the number of your shares and our other stockholders' shares that will be listed immediately will greatly exceed the maximum number of shares that we could have repurchased in a 12-month period under our share repurchase program if it wasn't suspended.

**Q. How do we expect to implement a phased-in liquidity program?**

A. We currently intend to implement a phased-in liquidity program by giving stock dividends to you and our other stockholders. At or shortly prior to the expected initial listing of our existing common stock, we currently expect to pay a dividend on each share of our existing common stock in the form of:

- one share of Class B-1 Common Stock;
- one share of Class B-2 Common Stock; and
- one share of Class B-3 Common Stock.

In connection with this stock dividend, we would redesignate our existing common stock as Class A Common Stock. The terms of our Class A Common Stock would remain unchanged, and this is the class of stock that we would list on a national securities exchange. The terms of the Class B-1 Common Stock, Class B-2 Common Stock and Class B-3 Common Stock would be identical in all respects to the Class A Common Stock, except that these classes of stock would not be listed on a national securities exchange and:

- the Class B-1 Common Stock would automatically convert into Class A Common Stock (that is exchange listed and publicly tradable) on the date that is six months after the initial listing of our Class A Common Stock;
- the Class B-2 Common Stock would automatically convert into Class A Common Stock (that is exchange listed and publicly tradable) on the date that is 12 months after the initial listing of our Class A Common Stock; and
- the Class B-3 Common Stock would automatically convert into Class A Common Stock (that is exchange listed and publicly tradable) on the date that is 18 months after the initial listing of our Class A Common Stock.

The net effect of this stock dividend would be to provide for phased-in liquidity over 18 months as your existing common stock is gradually converted into the Class A Common Stock that is listed on a national securities exchange and is publicly tradable. You should note that, if the amendment and restatement of our charter is approved, our Board will have flexibility to structure the phased-in liquidity program.

**Q. Will the expected phased-in liquidity program affect my right to receive dividends?**

A. No. The expected phased-in liquidity program will have *no effect* on your right to receive dividends or the total amount of your dividends. This phased-in liquidity program would treat all current stockholders the same so that your proportional ownership interest in the Company would remain the same and, therefore, your share of any dividends would remain the same. After the implementation of the expected phased-in liquidity program, each outstanding share of our Common Stock, whether Class A, Class B-1, Class B-2 or Class B-3, will be entitled to share equally in any dividend declared with respect to our Common Stock. As a result, any dividend that we pay to you will be divided equally among your then outstanding shares of Class A Common Stock, Class B-1 Common Stock, Class B-2 Common Stock and Class B-3 Common Stock. You will still be receiving the same aggregate dividend that you would have received if this phased-in liquidity program was not implemented, but, instead of receiving the full amount of the dividend on a single class of common stock, you will be receiving one-fourth of this amount on each of four classes of common stock.

**Q. Will the expected phased-in liquidity program affect my rights as a stockholder?**

A. No. Although the phased-in liquidity program is expected to impact the number and classification of your shares, it will have *no effect* on your proportional ownership interest in the Company, your voting rights, your right to receive dividends, the total amount of your dividends or your rights upon liquidation. All current stockholders would be treated the same so that your percentage of the Company would remain the same. The only substantive effect of the phased-in liquidity program will be to provide for a phased-in approach to your ability to sell your stock in the public market following the listing of our existing common stock.

**Q. When will our Board set the terms of the phased-in liquidity program?**

A. Our Board expects to set the terms of any phased-in liquidity program that is implemented in connection with, and shortly before, the expected initial listing of our existing common stock. Our Board will make this determination, following consultation with its advisors, based on what it believes will be in the best interests of our stockholders at the time. By providing flexibility to our Board, the amendment and restatement of our charter will allow our Board to react to market conditions as they exist shortly before our actual listing as opposed to locking in an approach now.

**Q. How many shares of stock will I own after the implementation of the phased-in liquidity program?**

A. The number of shares that you will own will depend on the type of phased-in liquidity program that we implement. As an example, assume that you currently own 100 shares of our common stock. The following diagrams illustrate what would occur if we implemented the phased-in liquidity program that we currently anticipate.

*Phased-In Liquidity Program:*

*Shares Owned After Phased-In Liquidity Program:*



Because the phased-in liquidity program will effect all holders of common stock in the same manner, it will have *no effect* on your proportional ownership interest in the Company. Please note that the foregoing is an illustrative example only, and the actual number and type of shares that you will own after implementation of the phased-in liquidity program will be based on the terms established by our Board at the time.

**Q: Is the implementation of the phased-in liquidity program expected to be taxable to me for U.S. federal income tax purposes?**

A. You will not recognize any gain or loss for U.S. federal income tax purposes as a result of the stock dividend pursuant to which we would issue shares of Class B Common Stock to you or the subsequent conversion of those shares of Class B Common Stock into Class A Common Stock that is listed on a national securities exchange. You should read Certain Material U.S. Federal Income Tax Considerations for a more complete discussion of certain material U.S. federal income tax consequences. Tax matters can be complicated, and the tax consequences of the expected phased-in liquidity program to you may depend on your particular tax situation.

**Q. What is the purpose of the amendments to our charter other than those relating to the phased-in liquidity program?**

A. The vast majority of the changes to our charter that we are proposing relate to the removal of provisions and restrictions currently contained in our charter that were required by state securities administrators in order for us to publicly offer our stock without having it listed on a national securities exchange. Once our existing common stock is listed on a national securities exchange, these provisions and restrictions will no longer be required and, in some cases, if retained, would place restrictions on our activities that could put us at a competitive disadvantage compared to our peers with listed securities.

**Q. When do you expect the amendment and restatement of our charter to be effective?**

A. If approved by our stockholders, the amendment and restatement of our charter will become effective upon the filing of the amendment and restatement of our charter with the Maryland State Department of Assessments and Taxation. We expect to file the proposed amendment and restatement of our charter in connection with, or shortly prior to, the expected initial listing of our existing common stock.

**Q. Do you plan to suspend the publication of the estimated annual statement of value of our common stock while you are pursuing a potential listing?**

A. As we currently intend to pursue the initial listing of our existing common stock on a national securities exchange within the next 12 months, we are not planning to publish an estimated annual statement of value of our common stock as of December 31, 2010. Once we have listed, stockholders will be able to value their shares of stock by reference to the market trading prices, and an estimated annual statement of value will be unnecessary. If the listing of our existing common stock does not proceed as expected, we expect that we would resume our practice of providing an estimated annual statement of value.

**Q. Will my vote make a difference?**

A. Yes. Your vote is needed to ensure that the proposals can be acted upon. It is important that your shares be represented at the Special Meeting regardless of the size of your holdings.

**PLEASE VOTE YOUR SHARES BY AUTHORIZING YOUR PROXY BY TELEPHONE, VIA THE INTERNET OR BY COMPLETING, SIGNING AND DATING THE ACCOMPANYING PROXY CARD AND RETURNING IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING.**

**Q. What is the quorum for the Special Meeting?**

A. Presence in person or by proxy at the Special Meeting of holders of 50% of our outstanding shares constitutes a quorum. The inspector of election appointed by us for the Special Meeting will determine whether or not a quorum is present. Abstentions and broker non-votes will count toward the presence of a quorum. A broker non-vote occurs when a nominee (such as a custodian or bank) holding shares for a beneficial owner returns a signed proxy but does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

**Q. What vote is required to approve each proposal assuming that a quorum is present at the Special Meeting?**

A. The affirmative vote of a majority of the shares of our common stock issued and outstanding is required to approve the amendment and restatement of our charter. The affirmative vote of a majority of the votes cast is required to approve the proposal to permit our Board to adjourn the Special Meeting.

**Q. How do I vote without attending the Special Meeting?**

A. You may vote by completing, dating, signing and promptly returning the proxy card in the pre-addressed, postage-paid envelope provided with this proxy statement. You may also authorize a proxy to vote by telephone or via the Internet by following the procedures described in this proxy statement under *Instruction Guide for Authorizing Your Proxy* and your proxy card. Those stockholders of record authorizing a proxy to vote by telephone or via the Internet must do so no later than 11:59 p.m. Eastern Time, on \_\_\_\_\_, 2011.

Votes cast by proxy or in person at the Special Meeting will be tabulated by an inspector of election appointed for the Special Meeting. Each executed and timely returned proxy will be voted in accordance with the directions indicated on it. Except for broker non-votes, executed but unmarked proxies will be voted by the person(s) named thereon (i) FOR the approval of the amendment and restatement of our charter; (ii) FOR the proposal to permit our Board to adjourn the Special Meeting; and (iii) in the discretion of such person(s) upon such matters not presently known or determined that properly may come before the Special Meeting.

**Q. May I revoke my proxy?**

A. Yes. Each stockholder giving a proxy has the power to revoke it at any time before the shares it represents are voted by giving written notice of the revocation to our Secretary, by delivering a later-dated proxy (which automatically revokes the earlier proxy), by submitting a proxy again by telephone or via the Internet or by voting in person at the Special Meeting. Attendance at the Special Meeting will not, in itself, constitute revocation of a previously granted proxy.

**Q. What is the effect of abstentions and broker non-votes?**

A. Because the proposal to approve the amendment and restatement of our charter must be approved by a majority of the shares of our common stock issued and outstanding, abstentions and broker non-votes will have the effect of votes against this proposal. Abstentions and broker non-votes will have no effect on the outcome of the proposal to permit our Board to adjourn the Special Meeting and any other matter that may properly come before the Special Meeting. As described above, a broker non-vote occurs when a nominee (such as a custodian or bank) holding shares for a beneficial owner returns a signed proxy but does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

**Q. Who will solicit and pay the cost of soliciting proxies for the Special Meeting?**

A. We will bear all expenses incurred in connection with the solicitation of proxies. Our officers, directors and employees may solicit proxies by mail, personal contact, letter, telephone, telegram, facsimile or other electronic means. They will not receive any additional compensation for those activities, but they may be reimbursed for their out-of-pocket expenses. In addition, we have hired Morrow & Co., LLC, an independent proxy solicitor, to solicit proxies on our Board's behalf, with respect to matters being voted upon at the Special Meeting. We expect that our proxy solicitor's fees for soliciting proxies on our behalf (inclusive of fees relating to contacting our stockholders and all other fees) will range from \$150,000 to \$300,000.

**Q. Could other matters be decided at the Special Meeting?**

A. As of this proxy statement, the above-referenced proposals are the only matters we are aware of that are to be acted upon at the Special Meeting. If any other matter should properly come before the Special Meeting, the persons appointed by you in your proxy will vote on those matters in accordance with the recommendation of our Board, or, in the absence of such a recommendation, in accordance with their discretion. The affirmative vote of a majority of the votes cast will be required for approval.

**Q. If I plan to attend the Special Meeting in person, should I notify anyone?**

A. While you are not required to notify anyone in order to attend the Special Meeting, if you do plan to attend the meeting, we would appreciate it if you would contact Dione K. McConnell at (630) 218-8000 or via email at [McConnell@inland-western.com](mailto:McConnell@inland-western.com) so that we will be able to prepare a suitable meeting room for the attendees.

**Q. Who can help answer my questions?**

A. Please contact our proxy solicitor, Morrow & Co., LLC at (800) 573-4804 if you have any questions about the Special Meeting or with respect to authorizing a proxy to vote your shares at the Special Meeting.

**Q. Where can I find more information about the Company?**

A. We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. You may read and copy any reports, statements or other information we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information regarding the public reference facilities. Our SEC filings are also available to the public on the website maintained by the SEC at <http://www.sec.gov>.

**PROPOSAL 1 APPROVAL OF THE SIXTH ARTICLES  
OF AMENDMENT AND RESTATEMENT  
OF INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.**

We currently intend to pursue the initial listing of our existing common stock on a national securities exchange within the next 12 months and are evaluating a concurrent offering in connection with the listing. On November 16, 2010, our Board determined that the amendments to our charter contained in the Sixth Articles of Amendment and Restatement were advisable in connection with the listing of our existing common stock on a national securities exchange. Set forth below is a summary description of the principal changes that would be made to our charter by the Sixth Articles of Amendment and Restatement, which summary description is qualified in its entirety by the complete text of the Sixth Articles of Amendment and Restatement, which is included as Appendix A to this proxy statement and which has been marked to show the proposed changes from our current charter.

**Summary of Principal Changes**

The changes that would be made to our charter by the Sixth Articles of Amendment and Restatement are primarily intended to accomplish two objectives in connection with the listing of our existing common stock: (1) to permit us to implement a phased-in liquidity program in connection with the listing of our existing common stock and (2) to more closely align our charter to those of our peers with publicly listed securities. Each of these objectives is described in more detail below.

*Phased-in Liquidity*

The amendment and restatement of our charter will permit us to implement a phased-in liquidity program in connection with the listing of our existing common stock. We have a large company with a substantial number of shares outstanding. If we conduct a listing without a phased-in liquidity program, all of our shares of common stock would become listed at the same time and, therefore, could be put up for sale in the public market. This could result in concentrated sales of our common stock in a short period of time immediately following our listing. Concentrated sales will likely reduce the trading price. The potential for concentrated sales of our outstanding common stock could also make our shares less attractive to institutional and other investors in any potential concurrent offering in connection with our listing and reduce demand to buy stock and/or reduce the price investors are willing to pay. A phased-in liquidity program directly addresses this potential risk; and therefore, increases the likelihood of a successful listing.

We currently anticipate that we will implement a phased-in liquidity program in connection with the listing of our existing common stock that will provide for the immediate listing of 25% of our existing shares of common stock and the listing of an additional 25% of our existing shares of common stock.