

UDR, Inc.  
Form DEF 14A  
April 08, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**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 under §240.14a-12

**UDR, 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:

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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):

(4) Proposed maximum aggregate value of transaction:

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.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:



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April 8, 2013

Dear Fellow Stockholders:

It is my pleasure to invite you to attend our Annual Meeting of Stockholders. The meeting will be held on May 23, 2013, at 10:00 a.m. local time at the Hyatt Regency Denver, 650 15th Street, Denver, CO 80202.

We have elected to take advantage of the Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the Internet. We believe that these rules allow us to provide our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our annual meeting.

The business to be conducted at the meeting is set forth in the formal notice of annual meeting of stockholders and proxy statement that accompany this letter. At the meeting we will also report on the Company's performance and respond to questions.

Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote your shares electronically through the Internet, by telephone or, if you have requested and received a paper copy of the proxy statement, by completing, signing and returning the paper proxy card enclosed with the proxy statement. Voting through the Internet or by telephone will eliminate the need to return your proxy card.

Sincerely,

UDR, INC.

JAMES D. KLINGBEIL

Chairman of the Board of Directors

**UDR, INC.**

1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540

Tel: 720.283.6120 Fax: 720.283.2451

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# NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS

April 8, 2013

- Date and Time:** May 23, 2013, at 10:00 a.m. local time
- Place:** Hyatt Regency Denver, 650 15th Street, Denver, CO 80202
- Items of Business:**
1. To elect eight directors to serve for the ensuing year.
  2. To ratify the appointment of Ernst & Young LLP to serve as independent registered public accounting firm for the year ending December 31, 2013.
  3. To vote to approve, on an advisory basis, the compensation of our named executive officers disclosed in this proxy statement.
  4. To transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.
- Record Date:** Monday, March 25, 2013. UDR stockholders of record as of the close of business on that date are entitled to vote at the meeting.
- Notice:** On or about April 8, 2013, we intend to mail to our stockholders of record a notice containing instructions on how to access our 2013 proxy statement and our annual report for the year ended December 31, 2012, and how to vote online. The notice also provides instructions on how you can request a paper copy of these documents if you desire, and how you can enroll in e-delivery. If you received your annual materials via email, the email contains voting instructions and links to our annual report and proxy statement on the Internet.
- Proxy Voting:** Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote your shares electronically through the Internet, by telephone or, if you have requested and received a paper copy of the proxy statement, by completing, signing and returning the paper proxy card enclosed with the proxy statement.

By Order of the Board of Directors

WARREN L. TROUPE

*Senior Executive Vice President*

*and Corporate Secretary*

**Important Notice Regarding the Availability of Proxy Materials for UDR, Inc. s Annual Meeting of Stockholders to be held on May 23, 2013.** This Notice of Annual Meeting and Proxy Statement and UDR, Inc. s Annual Report/Form 10-K for the year ended December 31, 2012 are available on the Internet at the following website: [www.proxyvote.com](http://www.proxyvote.com).

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The following is a summary of which highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you are urged to read the entire proxy statement carefully before voting.

**INFORMATION ABOUT OUR 2013 ANNUAL MEETING OF STOCKHOLDERS**

Date and Time: Thursday, May 23, 2013 at 10:00 a.m. local time.

Place: Hyatt Regency Denver, 650 15th Street, Denver, CO 80202

Record Date: Monday, March 25, 2013

**VOTING MATTERS AND VOTE RECOMMENDATIONS**

<b>Proposal</b>	<b>Board Vote Recommendation</b>	<b>Page Number</b>
Proposal No. 1 Election of Directors	FOR each Director Nominee	16
Proposal No. 2 Ratification of the Appointment of Ernst & Young LLP to Serve as Independent Registered Public Accounting Firm for the Year Ending December 31, 2013	FOR	48
Proposal No. 3 Advisory Vote to Approve the Compensation of Our Named Executive Officers as Disclosed in this Proxy Statement	FOR	49

**OUR DIRECTOR NOMINEES (PAGE 16)**

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Independent</b>	<b>AC</b>	<b>CC</b>	<b>GC</b>	<b>EC</b>
Katherine A. Cattanach	68	2006	Yes		C		
Eric J. Foss	54	2003	Yes				
Robert P. Freeman	67	1998	Yes	C			
Jon A. Grove	68	1998	Yes				
James D. Klingbeil(1)	77	1998	Yes			C	C
Lynne B. Sagalyn(2)	65	1996	Yes				
Mark J. Sandler	70	1996	Yes				
Thomas W. Toomey(3)	52	2001	No				

(1) Chairman of the Board and ex-officio member of the Audit and Compensation Committees

(2) Vice Chair of the Board

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(3) Chief Executive Officer, President and Director

KEY: AC = Audit Committee CC = Compensation Committee GC = Governance Committee EC = Executive Committee

= Member C = Chair

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**Table of Contents****INFORMATION ABOUT OUR BOARD AND COMMITTEES (PAGE 11)**

	Number of Members	Independence	Number of Meetings During 2012
<b>Full Board of Directors</b>	<b>8</b>	<b>87.5%</b>	<b>7</b>
<b>Audit Committee</b>	<b>3</b>	<b>100%</b>	<b>8</b>
<b>Compensation Committee</b>	<b>4</b>	<b>100%</b>	<b>5</b>
<b>Corporate Governance Committee</b>	<b>7</b>	<b>100%</b>	<b>4</b>
<b>Executive Committee</b>	<b>3</b>	<b>66.7%</b>	<b>0</b>

**OUR CORPORATE GOVERNANCE (PAGE 6)**

Size of the Board of Directors	8
Number of Independent Directors	7
Audit, Compensation and Governance Committees Consist Entirely of Independent Directors	Yes
Separate Chairman of the Board and Chief Executive Officer	Yes
Annual Election of All Directors	Yes
Annual Advisory Approval of Named Executive Officer Compensation	Yes
All Directors Attended at Least 75% of Meetings Held	Yes
Independent Directors Meet Regularly in Executive Session	Yes
Annual Board and Committee Self-Evaluations	Yes
Code of Business Conduct and Ethics, and Code of Ethics for Senior Financial Officers	Yes
Stock Ownership Guidelines for Executive Officers and Directors	Yes
Prohibition on Hedging Transactions	Yes
Pledging Transactions Prohibited Without Prior Approval	Yes
Policy on Recoupment of Performance-Based Incentives	Yes
Stockholder Rights Plan (Poison Pill)	No

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PAGE 47)**

Ernst & Young LLP, independent registered public accounting firm, served as our auditors for fiscal 2012. Our Audit Committee has selected Ernst & Young LLP to audit our financial statements for fiscal 2013. Although it is not required to do so, the board is submitting the Audit Committee's selection of our independent registered public accounting firm for ratification by the stockholders at the meeting in order to ascertain the view of our stockholders regarding such selection. Below is summary information about Ernst & Young's fees for services during fiscal years 2012 and 2011:

Description of Services	2012	2011
Audit Fees	\$ 1,575,000	\$ 1,693,522
Audit-Related Fees		
Tax Fees		
All Other Fees		
<b>Total</b>	<b>\$ 1,575,000</b>	<b>\$ 1,693,522</b>



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**EXECUTIVE COMPENSATION MATTERS (PAGE 23)**

We are requesting your non-binding vote to approve the compensation of our named executive officers as described on pages 23 through 45 of this proxy statement. The goals for our executive compensation program are to (i) attract, retain and motivate effective executive officers, (ii) align the interests of our executive officers with the interests of the Company and our stockholders, (iii) incentivize our executive officers based on clearly defined performance goals and measures of successful achievement, and (iv) closely align market competitive compensation with our short-term and long-term performance.

Our Compensation and Management Development Committee, which we refer to as the Compensation Committee, determines the form and amount of compensation, as well as the overall structure of our executive compensation program. The compensation of our named executive officers, who are identified in *Executive Compensation*, is comprised of a mix of base salary, short-term incentive compensation and long-term incentive compensation. The composition of our named executive officers' compensation is determined based on the consideration of a number of factors described in more detail *Executive Compensation Compensation Discussion and Analysis*, including a periodic review of relevant comparative market information.

Under our executive compensation program, as an executive officer's level of responsibility increases with his or her relative ability to impact the long-term performance of the Company as a whole, a greater portion of that executive officer's compensation is based on performance-based incentive compensation, and less is based on base salary, thereby creating the potential for greater variability in the executive officer's compensation level from year to year. The mix, level and structure of the components of compensation generally reflect the executive officer's role and relative impact on business results as well as competitive market practices.

Our compensation policies and programs are built upon the strong foundation of our relevant corporate governance framework and our overall compensation philosophy, including:

Our Policy on Recoupment of Performance-Based Incentives, which applies to our executive officers, including our named executive officers, and their performance-based incentive compensation. This policy provides that if the board determines that the Company's financial statements are required to be restated as a result of fraud committed by an executive officer, the board may, in its sole discretion, seek to recoup any portion of the performance-based awards that the executive officer would not have received if the Company's financial results had been reported properly.

Our Executive Stock Ownership Guidelines, which require that our executive officers own a specified number of shares of the Company's common stock as determined by the executive officer's position within four years of the date of the executive officer's employment or appointment with the Company. All of our named executive officers currently employed by the Company are in compliance with the Executive Stock Ownership Guidelines applicable to their position.

Our prohibition on any Company personnel, including our named executive officers, engaging in any short-term, speculative securities transactions, engaging in short sales, buying or selling put or call options, trading in options (other than those granted by the Company) and engaging in hedging transactions, and our prohibition on purchasing securities on margin or pledging securities as collateral without prior approval.

The Company provides only limited perquisites to our named executive officers.

The Compensation Committee's engagement of its own independent compensation consultant.

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The Compensation Committee's review of external market considerations, as well as internal considerations and the long-term interests of our stockholders, when making compensation decisions.

The ongoing consideration and oversight by the Compensation Committee with respect to any potential risks associated with our incentive compensation programs.

The key components of our named executive officers' compensation, base salary, short-term incentive compensation, and long-term incentive compensation, are described in more detail in the following table.

<b>Compensation Component</b>	<b>Objectives Associated with the Compensation Component</b>
Base Salary	Designed to reward individual effort associated with job-related duties and to attract and retain talented executive officers for our Company.
Short-Term Incentive Compensation	Designed to encourage outstanding individual and Company performance by motivating the named executive officers to achieve short-term Company and individual goals by rewarding performance measured against key annual strategic objectives and, for the CEO, using the independent directors' evaluation of his performance towards achieving short-term goals.
Long-Term Incentive Compensation	Our long-term incentive compensation is designed to foster significant ownership of our common stock by our management, to align the interests of our management with the creation of stockholder value and to motivate our management to achieve long-term growth and success of our Company.

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## PROXY STATEMENT

### Information about this Proxy Statement and the Enclosed Proxy

#### Proxy for the 2013 Annual Meeting:

The enclosed proxy is solicited on behalf of the board of directors of UDR, Inc., a Maryland corporation, for use at our Annual Meeting of Stockholders to be held on May 23, 2013, at 10:00 a.m. local time at the Hyatt Regency Denver, 650 15th Street, Denver, CO 80202, and at any adjournment, continuation or postponement of the meeting. These proxy materials are being provided to stockholders on or about April 8, 2013.

#### Our Use of Abbreviations:

We use a number of abbreviations in this proxy statement. We refer to UDR, Inc. as UDR, the Company, we, us or our and to our board of directors as board. The term proxy materials included in this proxy statement, as well as the enclosed proxy card. References to fiscal 2012 and fiscal 2013 mean our 2012 fiscal year which began on January 1, 2012 and ended on December 31, 2012, and our 2013 fiscal year which began on January 1, 2013 and will end on December 31, 2013, respectively. Our 2013 Annual Meeting of Stockholders to be held on May 23, 2013 is simply referred to as the meeting or the annual meeting.

## ABOUT THE ANNUAL MEETING

### Why did you provide this proxy statement to me?

We are providing this proxy statement and proxy card to you on the Internet or, upon your request, we are sending printed versions of this proxy statement and proxy card to you by mail, because you owned shares of our common stock and/or our Series E preferred stock or our Series F preferred stock at the close of business on March 25, 2013, which is the record date for the meeting. This proxy statement describes matters on which we would like you, as a stockholder, to vote. It also gives you information on these matters so that you can make an informed decision.

When you vote, you appoint James D. Klingbeil and Thomas W. Toomey, or either of them, as your representatives at the meeting. Messrs. Klingbeil and Toomey will vote your shares at the meeting as you instructed them when you voted. This way, your shares will be voted whether or not you attend the meeting. Even if you plan to attend the meeting, you should vote by telephone, through the Internet or, if you have requested and received a paper copy of the proxy statement, by completing, signing and returning the paper proxy card enclosed with this proxy statement in advance of the meeting, just in case your plans change.

### Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules and regulations adopted by the Securities and Exchange Commission (the SEC), instead of mailing a printed copy of our proxy materials to each stockholder of record, we may furnish proxy materials, including this proxy statement and our 2012 Annual Report, by providing access to such documents on the Internet. Most stockholders will not receive printed copies of the proxy materials unless they request them, in which case printed copies of the proxy materials will be provided at no charge.





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Instead of mailing a printed copy of our proxy materials to each stockholder of record, a Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability ) was mailed to such stockholders on or about April 8, 2013 that instructs you as to how you may access and review all of the proxy materials on the Internet. The Notice of Internet Availability also instructs you as to how you may submit your proxy on the Internet or by telephone.

Any stockholder may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis by following the instructions set forth in the Notice of Internet Availability. Choosing to receive future proxy materials by e-mail will save us the cost of printing and delivering documents to stockholders and will reduce the environmental impact of our annual meetings. A stockholder's election to receive proxy materials by e-mail w