

CommonWealth REIT  
Form DFAN14A  
June 17, 2013

**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

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 §240.14a-12

**COMMONWEALTH REIT**

(Name of the Registrant as Specified In Its Charter)

**CORVEX MANAGEMENT LP**

**KEITH MEISTER**

**RELATED FUND MANAGEMENT, LLC**

**RELATED REAL ESTATE RECOVERY FUND GP-A, LLC**

Edgar Filing: Commonwealth REIT - Form DFAN14A

**RELATED REAL ESTATE RECOVERY FUND GP, L.P.**

**RELATED REAL ESTATE RECOVERY FUND, L.P.**

**RRERF ACQUISITION, LLC**

**JEFF T. BLAU**

**RICHARD O TOOLE**

**DAVID R. JOHNSON**

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

Payment of Filing Fee (Check the appropriate box):

- x 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.
- .. 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:

Edgar Filing: Commonwealth REIT - Form DFAN14A

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

(3) Filing Party:

(4) Date Filed:

---

**CORVEX AND RELATED SEND LETTER TO COMMONWEALTH REIT**

**SHAREHOLDERS**

**Continued Value Destruction Unacceptable**

**Removal of ALL Commonwealth REIT Directors is the Only Way to Effect Meaningful Change**

**ISS Recommends Removal of Entire Board**

**Vote the WHITE Consent Card Today**

**NEW YORK, June 17, 2013** Corvex Management LP ( Corvex ) and Related Fund Management, LLC ( Related ), whose separately managed investment funds collectively own approximately 9.6% of the outstanding common shares of Commonwealth REIT (NYSE:CWH), today sent a letter to CWH shareholders, urging them to vote the WHITE consent card and remove the entire Board of Commonwealth before it can take any additional action to destroy shareholder value. Corvex and Related believe that the removal of ALL Commonwealth REIT directors is the only way to effect meaningful change.

Shareholders are urged to sign, date and return the WHITE consent card today. You may also be able to vote online by following the instructions on the voting materials you will be receiving. If you have any questions or require any assistance in executing your consent, you can call D.F. King & Co., Inc., at 1-800-714-3313.

The text of the letter to CWH shareholders is as follows:

**IT IS TIME FOR COMMONWEALTH REIT SHAREHOLDERS TO SEND A CLEAR**

**MESSAGE: CONTINUED VALUE DESTRUCTION UNACCEPTABLE**

**ISS RECOMMENDS REMOVAL OF ENTIRE BOARD**

**SIGN, DATE AND RETURN THE WHITE CONSENT CARD TODAY**

June 17, 2013

Dear Fellow Shareholders:

An outdated management structure, abysmal corporate governance, and mismanagement of operations have in our view been a significant driver in the 45% decline in Commonwealth REIT's stock price over the last five years<sup>1</sup>. We believe this continued value destruction is by design the direct result of self-interested actions taken by Commonwealth's current Board of Trustees and its external manager, REIT Management and Research, LLC ( RMR ) which is owned by Barry Portnoy and his son, Adam.

Our consent solicitation will serve as a referendum on the current board and management team and is the only way to effect change.

<sup>1</sup> Five year period ending February 25, 2013.

---

**LEADING PROXY ADVISORY FIRM ISS AGREES THAT COMMONWEALTH S  
UNDERPERFORMANCE AND  
POOR CORPORATE GOVERNANCE SHOULD NOT BE TOLERATED**

In recommending the removal of ALL trustees, ISS, a leading independent proxy advisory and corporate governance advisory firm, strongly supports our campaign to effect change at Commonwealth in order stop the value destruction and free the Company from its abysmal corporate governance practices and continued mismanagement by the Portnoys.

In its report, ISS noted that:

Votes FOR removal of all existing directors are warranted given that the dismal returns to shareholders over an extended period prior to the dissidents' arrival, the links between underperformance on key drivers of shareholder value and the inherent conflicts of interest in the external management structure the company maintains, and the current board's use of corporate governance provisions to entrench itself, in aggregate form a compelling case that change at the board level is necessary.<sup>2</sup>

**TAKE ACTION NOW:**

**COMMONWEALTH S FUTURE IS IN YOUR HANDS**

Without immediate change we believe the Portnoys will continue on their path of value destruction. As Commonwealth shareholders, you will continue to suffer as a result of the relentless self-dealings for the benefit of RMR, Commonwealth's mismanagement of its assets, and the series of underhanded tactics the Company has employed in an effort to undermine shareholder rights.

The series of actions by RMR and the Portnoys in the last six months, including attempted bylaw changes designed to further entrench management and an attempt to change Maryland law to prevent removal of trustees, make it clear that RMR is not operating Commonwealth for the benefit of shareholders, but, rather, for the benefit of the Portnoys. Not only has the Company repeatedly taken action to eliminate shareholder rights, in March they enacted a highly dilutive equity offering in a purported attempt to maintain investment grade ratings<sup>3</sup> only to be downgraded to junk status by Standard & Poor's as a result of weak management and corporate governance. **These value destructive efforts must stop immediately.** It is time for RMR and the Portnoys to relinquish control of Commonwealth, and for ALL shareholders to take back YOUR company.

We must act now to stop the Portnoys from continuing their complete and utter disregard for the will of shareholders, which they did so blatantly by re-appointing Joseph Morea to the Board following a nearly 4-1 vote against his re-election at the 2013 annual meeting. Mr. Morea received only 22% of the votes cast for his re-election. If shareholders don't act now, change will take at least three years – the minimum time needed to replace a simple majority of Commonwealth's staggered Board. We cannot afford any more value destruction.

**OUR CONSENT SOLICITATION SERVES AS A REFERENDUM ON THIS BOARD**

**AND MANAGEMENT AND IS THE ONLY PATH TO CHANGE**

<sup>2</sup> ISS Proxy Advisory Services Report June 14, 2013.

<sup>3</sup> Commonwealth REIT Investor Presentation April 2013.

<sup>4</sup> Standard & Poor's Ratings Services Press Release: Commonwealth REIT Rating Is Lowered To BB+ ; Outlook Stable; 2 Recovery Rating Is Assigned To Senior Unsecured Debt June 10, 2013.

Once shareholders vote to remove the Board of Trustees, Commonwealth is required to promptly call a special meeting for shareholders to elect new trustees. We will work with our fellow shareholders to identify a truly independent and accountable slate of highly qualified nominees who are prepared to work for the interests of ALL shareholders, not just the Portnoys. During the interim period, we plan to leverage our substantial resources and real estate expertise including CBRE, to assist with property management and Jim Lozier, a well-respected real estate executive, to serve as potential interim CEO until a new board is appointed.

The arbitration process is already well underway and we anticipate a prompt resolution on matters related to our efforts to effect change at Commonwealth. As Commonwealth itself noted, the arbitration process provides for an expedited process for resolving disputes.

To be clear, our only agenda is to effect change and remove Commonwealth's trustees and we are confident that our consent solicitation is the best path forward. The status quo will only lead to continued value destruction and self-dealing for the benefit of the Portnoys.

**THE TIME TO ACT IS NOW PLEASE SIGN, DATE AND RETURN  
THE WHITE COSENT CARD TODAY. SHAREHOLDERS MAY ALSO BE ABLE TO  
VOTE ONLINE BY FOLLOWING THE INSTRUCTIONS ON THEIR VOTING  
MATERIALS**

We thank you for your continuing support.

Keith Meister  
Corvex Management LP

Jeff T. Blau  
Related Fund Management, LLC

If you have any questions or require any assistance in executing your consent, please contact:

**D.F. King & Co., Inc.**

**Shareholders call toll-free: (800) 714-3313**

**Banks and brokers call: (212) 269-5550**

About Corvex Management LP

Corvex Management LP is an investment firm headquartered in New York, New York that engages in value based investing across the capital structure in situations with identifiable catalysts. Corvex was founded in March 2011 and follows an opportunistic approach to investing with a specific focus on equity investments, special situations and distressed securities largely in North America.

About Related Fund Management LLC

Related Fund Management, LLC is an affiliate of Related Companies, one of the most prominent privately-owned real estate firms in the United States. Formed 40 years ago, Related is a fully-integrated, highly diversified industry leader with experience in virtually every aspect of development, acquisitions, management, finance, marketing and sales. Related's existing portfolio of real estate assets, valued at over \$15 billion, is made up of best-in-class mixed-use, residential, retail, office and affordable properties. For more information about Related Companies please visit [www.related.com](http://www.related.com).

Important Additional Information

In connection with their solicitation of written consents, Corvex and Related have filed a definitive written consent solicitation statement with the U.S. Securities and Exchange Commission (the "SEC") to solicit written consents from shareholders of Commonwealth REIT. **Investors and security holders are urged to read the definitive written consent solicitation statement and other relevant documents when they become available, because they contain important information regarding the consent solicitation.** The definitive written consent solicitation statement and all other relevant documents are available, free of charge, on the SEC's website at [www.sec.gov](http://www.sec.gov).

The following persons are participants in connection with the written consent solicitation of Commonwealth's shareholders: Corvex Management LP, Keith Meister, Related Fund Management, LLC, Related Real Estate Recovery Fund GP-A, LLC, Related Real Estate Recovery Fund GP, L.P., Related Real Estate Recovery Fund, L.P., RRERF Acquisition, LLC, Jeff T. Blau, Richard O. Toole and David R. Johnson. Information regarding the participants in the consent solicitation and a description of their direct and indirect interests, by security holdings or otherwise, to the extent applicable, is available in the definitive written consent solicitation statement filed with the SEC on April 10, 2013 and Supplement No. 1 thereto filed on April 12, 2013. Permission to quote third party reports and analyses was neither sought nor obtained.

###

For further information, contact:

D.F. King & Co., Inc.

Shareholders can call toll-free: (800) 714-3313

Banks and brokers call: (212) 269-5550

Rupal Doshi

Corvex

(212) 474-6750

[rdoshi@corvexcap.com](mailto:rdoshi@corvexcap.com)

Joanna Rose

Related

(212) 801-3902

[jrose@related.com](mailto:jrose@related.com)