

Pebblebrook Hotel Trust
Form 8-K
September 20, 2011

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 20, 2011 (September 14, 2011)

PEBBLEBROOK HOTEL TRUST

(Exact name of Registrant as specified in its charter)

Maryland

(State or Other Jurisdiction
of Incorporation or Organization)

001-34571

(Commission File Number)

27-1055421

(I.R.S. Employer Identification No.)

2 Bethesda Metro Center, Suite 1530

Bethesda, MD 20814

(Address of principal executive offices) (Zip code)

(240) 507-1300

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.03. Material Modifications to Rights of Security Holders.

On September 19, 2011, Pebblebrook Hotel Trust (the Company) filed, with the State Department of Assessments and Taxation of the State of Maryland, Articles Supplementary to the Company's Declaration of Trust, as amended and supplemented, classifying and designating 3,400,000 of the Company's authorized preferred shares of beneficial interest, \$0.01 par value per share, as 8.00% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (Series B Preferred Shares), (the Articles Supplementary). A copy of the Articles Supplementary was filed as Exhibit 3.2 to the Company's Registration Statement on Form 8-A, filed on September 19, 2011, and is hereby incorporated by reference into this Item 3.03.

As set forth in the Articles Supplementary, the Series B Preferred Shares rank senior to the Company's common shares of beneficial interest, par value \$0.01 per share (Common Shares), and on parity with the Company's 7.875% Series A Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (the Series A Preferred Shares) and all future equity securities that the Company may later authorize or issue and that by their terms are on parity with the Series B Preferred Shares. Holders of Series B Preferred Shares, when and as authorized by the Board of Trustees of the Company (the Board), are entitled to cumulative cash distributions at the rate of 8.00% per annum of the \$25.00 per share liquidation preference, equivalent to \$2.00 per annum per share. Distributions are payable quarterly on or about January 15, April 15, July 15 and October 15 of each year, commencing on October 17, 2011. In addition to other preferential rights, the holders of Series B Preferred Shares are entitled to receive the liquidation preference, which is \$25.00 per share, before the holders of Common Shares in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company's affairs.

Generally, the Series B Preferred Shares are not redeemable by the Company before September 21, 2016. However, upon the occurrence of a Change of Control (as defined below), holders of Series B Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date (as defined below), the Company has provided or provides notice of its election to redeem their Series B Preferred Shares) to convert some or all of their Series B Preferred Shares (the Change of Control Conversion Right) into a number of Common Shares per Series B Preferred Share to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid distributions to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series B Preferred Share distribution payment and prior to the corresponding Series B Preferred Share distribution payment date, in which case no additional amount for such accrued and unpaid distribution will be included in this sum) by (ii) the Common Share Price (as defined below); and

3.4483, subject to certain adjustments;

subject, in each case, to provisions for the receipt of alternative consideration, as described in the Articles Supplementary.

If the Company has provided or provides a redemption notice, whether pursuant to the Company's special optional redemption right in connection with a Change of Control or the Company's optional redemption right, holders of Series B Preferred Shares will not have any right to convert their Series B Preferred Shares in connection with the Change of Control Conversion Right and any Series B Preferred Shares subsequently selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

A Change of Control is when, after the original issuance of the Series B Preferred Shares, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of the Company entitling that person to exercise more than 50% of the total voting power of all shares of the Company entitled to vote generally in elections of trustees

(except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet above, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange (the NYSE), the NYSE Amex Equities (the NYSE Amex) or the NASDAQ Stock Market (NASDAQ) or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or NASDAQ.

The Change of Control Conversion Date will be a business day that is no fewer than 20 days nor more than 35 days after the date on which the Company provides the required notice of the occurrence of a Change of Control to the holders of Series B Preferred Shares.

The Common Share Price will be: (i) the amount of cash consideration per common share, if the consideration to be received in the Change of Control by holders of Common Shares is solely cash; and (ii) the average of the closing prices for the Common Shares on the NYSE for the 10 consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by holders of Common Shares is other than solely cash.

A complete description of the Series B Preferred Shares is contained in the Articles Supplementary incorporated by reference as Exhibit 3.1 to this Current Report on Form 8-K.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information about the Articles Supplementary under Item 3.03 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 5.03.

Item 7.01. Regulation FD Disclosure.

On September 14, 2011, the Company issued a press release announcing the pricing of an underwritten public offering of Series B Preferred Shares. A copy of that press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is hereby incorporated by reference into this Item 7.01.

On September 15, 2011, the Company issued a press release announcing that the Board has declared a quarterly cash dividend per share on its outstanding common shares of beneficial interest and its Series A Preferred Shares. A copy of the press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is hereby incorporated by reference into this Item 7.01.

Item 8.01. Other Events.

On September 14, 2011, the Company and its operating partnership, Pebblebrook Hotel, L.P. (the Operating Partnership), entered into a purchase agreement (the Underwriting Agreement) with Raymond James & Associates, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as the representatives of the several underwriters named on Schedule A therein (the Underwriters), relating to the issuance and sale of 3,400,000 Series B Preferred Shares, including 400,000 Series B Preferred Shares being issued and sold pursuant to the Underwriters' exercise in full of their over-allotment option, at a public offering price of \$25.00 per share (the Preferred Shares Offering). The closing of the Preferred Shares Offering is expected to occur on September 21, 2011.

The Series B Preferred Shares have been registered on the Company's shelf registration statement on Form S-3 (File No. 333-173468), which became effective upon filing with the Securities and Exchange Commission (the SEC) on April 13, 2011.

The Underwriting Agreement is filed as Exhibit 1.1 to this Current Report on Form 8-K, and the description of the material terms of the Underwriting Agreement is qualified in its entirety by reference to that exhibit. For a more detailed description of the Underwriting Agreement, see the disclosure under the caption "Underwriting" contained in the Company's prospectus supplement, dated September 14, 2011, which was filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act"), on September 15, 2011, which disclosure is hereby incorporated by reference into this Item 8.01.

In connection with the filing of the Underwriting Agreement, the Company is filing as Exhibits 5.1 and 8.1 to this Current Report on Form 8-K opinions of its counsel, Venable LLP and Hunton & Williams LLP, respectively.

On September 15, 2011, the Board declared a dividend of \$0.12 per Common Share for the quarter ending September 30, 2011 (the "Common Dividend"). The Common Dividend is payable on October 17, 2011 to holders of record of Common Shares as of the close of business on September 30, 2011 (the "Record Date").

On September 15, 2011, the Board also declared a quarterly dividend of \$0.4921875 per Series A Preferred Share for the quarter ending September 30, 2011 (the "Series A Preferred Dividend"). The Series A Preferred Dividend is payable on October 17, 2011 to holders of record of Series A Preferred Shares as of the Record Date. The Series A Preferred Dividend represents a rate of 7.875% per annum of the \$25 per share liquidation preference (equivalent to \$1.96875 per annum per share).

This Current Report on Form 8-K contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Reform Act of 1995. These forward-looking statements relate to the payment of the dividends and the closing of the Preferred Shares Offering. Forward-looking statements are based on certain assumptions and can include future expectations, future plans and strategies, financial and operating projections or other forward-looking information.

These forward-looking statements are subject to various risks and uncertainties, not all of which are known to the Company and many of which are beyond the Company's control, which could cause actual results to differ materially from such statements. These risks and uncertainties include, but are not limited to, the state of the U.S. economy and other factors as are described in greater detail in the Company's filings with the SEC, including, without limitation, the Company's Annual Report on Form 10-K for the year ended December 31, 2010. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit No. Description

- | | |
|-----|---|
| 1 | |
| 1.1 | Purchase Agreement, dated September 14, 2011, by and among Pebblebrook Hotel Trust and Pebblebrook Hotel, L.P. and Raymond James & Associates, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as representatives of the several Underwriters listed on <u>Schedule A</u> attached thereto. |
| 3.1 | Articles Supplementary designating the Company's 8.00% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (incorporated by reference to Exhibit 3.2 of the Company's Registration Statement on Form 8-A filed with the SEC on September 19, 2011). |
| 5.1 | Opinion of Venable LLP, dated September 20, 2011, regarding the legality of the 8.00% Series B Cumulative Redeemable Preferred Shares. |
| 8.1 | Opinion of Hunton & Williams LLP, September 20, 2011, regarding certain tax matters. |

Exhibit No.	Description
 23.1	Consent of Venable LLP (included in Exhibit 5.1 hereto).
23.2	Consent of Hunton & Williams LLP (included in Exhibit 8.1 hereto).
99.1	Press release dated September 14, 2011.
99.2	Press release dated September 15, 2011.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PEBBLEBROOK HOTEL TRUST

Date: September 20, 2011

By: /s/ Raymond D. Martz
Raymond D. Martz
Executive Vice President, Chief Financial
Officer,
Treasurer and Secretary

EXHIBIT INDEX

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