

SIMON PROPERTY GROUP INC /DE/
Form 424B5
September 13, 2010
[Table of Contents](#)

As filed pursuant to Rule 424(b)(5)
Registration Statement No. 333-157794

PROSPECTUS SUPPLEMENT
(To Prospectus dated March 9, 2009)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Maximum offering price per share(1)	Maximum aggregate offering price(1)	Amount of registration fee(1)
Common Stock, \$0.0001 par value per share	4,045	\$ 95.17	\$ 384,962.65	\$ 27.45

(1) Calculated in accordance with Rule 457(r) of the Securities Act. The price per share is based on the average of the high and low sale prices reported on the New York Stock Exchange for shares of the Registrant's common stock on September 9, 2010.

Table of Contents

PROSPECTUS SUPPLEMENT

(To Prospectus dated March 9, 2009)

4,045 Shares

Simon Property Group, Inc.

Common Stock

This prospectus supplement relates to resales of shares of common stock by certain stockholders who acquired shares upon the exchange of units of partnership interest in our majority-owned operating partnership subsidiary, Simon Property Group, L.P. We will not receive any of the proceeds from the sale of the shares by the selling stockholders.

The selling stockholders, or their pledgees, donees, transferees or other successors in interest, may offer the shares through public or private transactions at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices. Our common stock is traded on the New York Stock Exchange under the symbol SPG. On September 9, 2010, the closing sale price as reported by the NYSE was \$94.22 per share.

You should read carefully this prospectus supplement and accompanying prospectus before you invest.

Investing in our securities involves risk. See Risk Factors beginning on page S-3.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is September 13, 2010

Table of Contents

TABLE OF CONTENTS

	Page
<u>Prospectus Supplement</u>	
<u>WHO WE ARE</u>	S-2
<u>USE OF PROCEEDS</u>	S-2
<u>RISK FACTORS</u>	S-3
<u>RECENT DEVELOPMENTS</u>	S-3
<u>SELLING STOCKHOLDERS</u>	S-3
<u>CERTAIN FEDERAL INCOME TAX CONSIDERATIONS</u>	S-4
<u>PLAN OF DISTRIBUTION</u>	S-5
<u>Prospectus</u>	
<u>ABOUT THIS PROSPECTUS</u>	2
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	2
<u>WHO WE ARE</u>	3
<u>USE OF PROCEEDS</u>	3
<u>DESCRIPTION OF SECURITIES BEING OFFERED</u>	4
<u>IMPORTANT PROVISIONS OF OUR GOVERNING DOCUMENTS AND DELAWARE LAW</u>	12
<u>RESTRICTIONS ON OWNERSHIP AND TRANSFER</u>	14
<u>FEDERAL INCOME TAX CONSIDERATIONS</u>	16
<u>LEGAL MATTERS</u>	34
<u>EXPERTS</u>	34
<u>DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES</u>	34
<u>FORWARD-LOOKING STATEMENTS MAY PROVE INACCURATE</u>	34
<u>INCORPORATION OF INFORMATION WE FILE WITH THE SEC</u>	35

ABOUT THIS PROSPECTUS SUPPLEMENT

We provide information to you about our common stock in two separate documents that offer varying levels of detail:

- The accompanying base prospectus, which provides general information, some of which may not apply to the offering of our common stock; and
- This prospectus supplement, which provides a summary of the terms of the offering of our common stock.

Generally, when we refer to this prospectus, we are referring to both documents combined. If information in this prospectus supplement is inconsistent with the accompanying base prospectus, you should rely on this prospectus supplement.

Edgar Filing: SIMON PROPERTY GROUP INC /DE/ - Form 424B5

We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus supplement, the accompanying base prospectus and any other offering material. The selling stockholders are offering to sell, and seeking offers to buy, our shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement, the accompanying base prospectus, any other offering material or the documents incorporated by reference herein or therein is accurate only as of their respective date, regardless of the time of delivery of this prospectus supplement, the accompanying base prospectus, any other offering material or of any sale of the shares.

Table of Contents

WHO WE ARE

Simon Property Group, Inc. owns, develops and manages retail real estate properties, primarily regional malls, Premium Outlet Centers®, The Mills® and community/lifestyle shopping centers. We have elected to be treated as a real estate investment trust, or REIT, for United States federal income tax purposes. We own our properties and conduct our business activities through our majority-owned subsidiary, Simon Property Group, L.P., or the Operating Partnership.

In this prospectus supplement, unless the context otherwise requires, we, us, and our refer to Simon Property Group, Inc. and its subsidiaries and the Operating Partnership refers to Simon Property Group, L.P.

The core of our business originated with the shopping center businesses of Melvin Simon, Herbert Simon, David Simon and other members and associates of the Simon family. We have grown significantly by acquiring properties and merging with other real estate companies, including our 1996 merger with DeBartolo Realty Corporation, our 1998 combination with Corporate Property Investors, Inc., our 2004 acquisition of Chelsea Property Group, Inc. and our 2007 acquisition of a 50% interest in the joint venture that acquired The Mills Corporation, or Mills.

As of June 30, 2010, we owned or held an interest in 318 income-producing properties in the United States, which consisted of 161 regional malls, 42 Premium Outlets, 66 community/lifestyle centers, 36 properties acquired in the 2007 acquisition of The Mills Corporation and 13 other shopping centers or outlet centers in 41 states and Puerto Rico. Of the 36 properties acquired in the Mills portfolio, 16 of these properties are The Mills, 16 are regional malls, and four are community centers. Internationally, as of June 30, 2010, we had ownership interests in 52 European shopping centers (France, Italy and Poland), eight Premium Outlets in Japan, one Premium Outlet in Mexico, and one Premium Outlet in South Korea. We acquired a portfolio of 21 outlet shopping centers during 2010, of which one is included in the numbers in this paragraph.

Our predecessor was organized as a Massachusetts business trust in 1971 and reorganized as a Delaware corporation on March 10, 1998. Our principal executive offices are located at 225 West Washington Street, Indianapolis, Indiana 46204. Our telephone number is (317) 636-1600. Our Internet website address is www.simon.com. The information in our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

If you want to find more information about us, please see the sections entitled Where You Can Find More Information and Incorporation of Information We File with the SEC in the accompanying prospectus.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares by the selling stockholders.

The selling stockholders will pay any underwriting discounts and commissions and expenses they incur for brokerage, accounting, tax or legal services or any other expenses they incur in disposing of the shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus. These may include, without limitation, all registration and filing fees, NYSE listing fees, fees and expenses of our counsel and accountants, and blue sky fees and expenses.

Table of Contents

RISK FACTORS

Your investment in our common stock involves certain risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the risk factors discussed in the accompanying prospectus, our Annual Report on Form 10-K for the year ended December 31, 2009 and any subsequently filed periodic reports which are incorporated by reference into the accompanying prospectus before deciding whether an investment in our common stock is suitable for you.

RECENT DEVELOPMENTS

On July 15, 2010, we and our joint venture partner in Simon Ivanhoe S.à.r.l., or Simon Ivanhoe, sold our collective interests in the joint venture, which owned seven shopping centers located in France and Poland, to Unibail-Rodamco. The joint venture partners received net consideration of \$422.5 million for their interests after the repayment of all joint venture debt, subject to certain post-closing adjustments. Our share of the gain on sale of our interests in Simon Ivanhoe is approximately \$280 million. A portion of the proceeds were used to repay the \$167.4 million (approximately \$215 million) principal balance on the Euro tranche of our unsecured credit facility.

On August 30, 2010, we completed our transaction with Prime Outlets Acquisition Company and certain of its affiliated entities, or Prime, which was valued at approximately \$2.3 billion, including the assumption of approximately \$1.55 billion of Prime's existing indebtedness and preferred stock. The Prime transaction added 21 outlet center properties to our portfolio, including Prime's Barceloneta outlet center located in Puerto Rico which we had acquired on May 13, 2010. In connection with the Prime transaction, we signed a proposed Consent Agreement with the staff of the Federal Trade Commission, or FTC, which is currently with the FTC for its review and approval.

SELLING STOCKHOLDERS

The shares of common stock covered by this prospectus are being registered pursuant to provisions of certain registration rights agreements by and among us, the selling stockholders and other persons or the terms of the Operating Partnership's partnership agreement. The shares were acquired by the selling stockholders from us upon the exchange of units of partnership interest in the Operating Partnership. The shares of common stock were issued without registration under the Securities Act, in reliance upon the exemption provided by Section 4(2) of the Securities Act. As of August 31, 2010, there were 292,825,269 shares of common stock outstanding.

We do not know when or in what amounts the selling stockholders may offer shares for sale. The selling stockholders may elect not to sell any or all of the shares offered by this prospectus supplement. Because the selling stockholders may offer all or some of the shares pursuant to this offering, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares that will be held by the selling stockholders after completion of the offering, we cannot estimate the number of the shares that will be held by the selling stockholders after completion of the offering. However, for purposes of this table, we have assumed that, after completion of the offering, none of the shares covered by the prospectus supplement will be held by the selling stockholders.

Table of Contents

The following table sets forth, to our knowledge, certain information about the selling stockholders:

SHARES OF COMMON STOCK REGISTERED FOR RESALE

Name of Selling Stockholder	Number of Shares Beneficially Owned Prior to Offering (1)	Percentage of Shares Beneficially Owned Prior to Offering	Number of Shares Offered Hereby	Number of Shares Beneficially Owned After Offering	Percentage of Shares Beneficially Owned After Offering
Richard Prince	4,045	*	4,045	0	*

* Less than one percent (1%)

(1) Includes units of partnership interest in the Operating Partnership which may be exchanged for shares of common stock.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The following discussion of the United States federal income tax consequences of stock distributions supplements, but does not replace, the section entitled "Federal Income Tax Consequences" in the accompanying prospectus. For a discussion of material United States federal income tax consequences applicable to distributions generally to stockholders and our election to be taxed as a REIT, see "Federal Income Tax Considerations" in the accompanying prospectus.

Form of Dividends

In 2008, the IRS issued guidance regarding the tax treatment of stock distributions paid by a REIT. Under that guidance as subsequently updated by the IRS a REIT may pay up to 90% of a distribution in common stock for distributions declared on or before December 31, 2012, with respect to taxable years ending on or before December 31, 2011. It is possible that these time periods will be further extended. To maintain our qualification as a REIT, we are required each year to distribute to stockholders at least 90% of our net taxable income after certain adjustments. We paid our quarterly dividends in 2009 in a combination of cash and shares of common stock, with the cash limited to 10% of the total first quarter dividend and 20% of the total second, third and fourth quarter dividends. We have paid all of our quarterly dividends in 2010 entirely in cash. Future dividends are determined in the discretion of our board of directors and depend on actual and projected cash flow, financial condition, funds from operations, earnings, capital requirements, the annual REIT distribution requirements, contractual prohibitions or other restrictions, applicable law and such other factors as our board of directors deems relevant.

Provided that the distribution satisfies certain criteria, a U.S. holder generally must include the sum of the value of the common stock and the amount of cash received in its gross income as dividend income to the extent that such holder's share of the distribution is made out of its share of the portion of our current and accumulated earnings and profits allocable to such distribution. The value of any common stock received as part of a distribution generally is equal to the amount of cash that could have been received instead of the common stock. Depending on the circumstances of the holder, the tax on the distribution may exceed the amount of the distribution received in cash, in which case such U.S. holder would have to pay the tax using cash from other sources. If a U.S. holder sells the stock it receives as a dividend in order to pay this tax and the sales proceeds are less than the amount required to be included in income with respect to the dividend, such holder could have a capital loss with respect to the stock sale that could not be used to offset such dividend income. Furthermore, with respect to non-U.S. holders, we may be required to withhold U.S. tax with respect to such dividend, including the portion that is payable in stock. A holder that receives common stock pursuant to a distribution generally has a tax basis in such common stock equal to the amount of cash that could have been received instead of such common stock as described above, and a holding period in such common stock that begins on the day following the payment date for the distribution.

Table of Contents

PLAN OF DISTRIBUTION

The shares covered by this prospectus may be offered and sold from time to time by the selling stockholders including their pledgees, donees, transferees or other successors in interest selling shares received after the date of this prospectus from one of the selling stockholders as a pledge, gift or other non-sale related transfer. To the extent required, this prospectus may be amended and supplemented from time to time to describe a specific plan of distribution.

The selling stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. These sales may be made at a fixed price or prices, which may be changed or at prices on the New York Stock Exchange and under terms then prevailing or at prices related to the then current market price. Sales may also be made in negotiated transactions at negotiated prices, including pursuant to one or more of the following methods:

- purchases by a broker-dealer as principal and resale by such broker-dealer for its own account pursuant to this prospectus,
- ordinary brokerage transactions and transactions in which the broker solicits purchasers,
- an exchange distribution in accordance with the rules of the New York Stock Exchange or other exchange or trading system on which the shares are admitted for trading privileges,
- sales at the market to or through a market maker or into an existing trading market, on an exchange or otherwise, for the shares,
- sales in other ways not involving market makers or established trading markets,
- through put or call transactions relating to the shares,
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction, and
- in privately negotiated transactions.

In connection with distributions of the shares or otherwise, the selling stockholders may:

- enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the shares in the course of hedging the positions they assume,
- sell the shares short and redeliver the shares to close out such short positions,
- enter into option or other transactions with broker-dealers or other financial institutions which require the delivery to them of shares offered by this prospectus, which they may in turn resell, or
- pledge shares to a broker-dealer or other financial institution, which, upon a default, they may in turn resell.

In addition, any shares that qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this prospectus. Subject to certain conditions, the shares of common stock that were issued to someone who is not an affiliate of ours upon an exchange of units of partnership interest may be sold under Rule 144 without restriction after six months from the time of issuance.

In effecting sales, broker-dealers or agents engaged by the selling stockholders may arrange for other broker-dealers to participate. Broker-dealers or agents may receive commissions, discounts or concessions from the selling stockholders, in amounts to be negotiated immediately prior to the sale.

Table of Contents

In offering the shares covered by this prospectus, the selling stockholders, and any broker-dealers and any other participating broker-dealers who execute sales for the selling stockholders may be deemed to be underwriters within the meaning of the Securities Act in connection with these sales. Any profits realized by the selling stockholders and the compensation of such broker-dealers may be deemed to be underwriting discounts and commissions.

In order to comply with the securities laws of certain states, the shares must be sold in those states only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

We have advised the selling stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. In addition, we will make copies of this prospectus available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

If required at the time a particular offer of shares is made, a supplement to this prospectus will be distributed that will set forth:

- the number of shares being offered,
- the terms of the offering, including the name of any underwriter, dealer or agent,
- the purchase price paid by any underwriter,
- any discount, commission and other underwriter compensation,
- any discount, commission or concession allowed or reallocated or paid to any dealer, and
- the proposed selling price to the public.

We have agreed to indemnify the selling stockholders against certain liabilities, including certain liabilities under the Securities Act.

We have agreed with the selling stockholders to keep the Registration Statement of which this prospectus constitutes a part effective until the earlier of such time as:

- all of the shares covered by this prospectus have been disposed of pursuant to the Registration Statement or
- we have delivered to the selling stockholders an opinion of counsel to the effect that such shares may be sold pursuant to Rule 144 without regard to any volume limitations.

S-6

Table of Contents

PROSPECTUS

SIMON PROPERTY GROUP, INC.

Common Stock

Preferred Stock

Warrants

Depositary Shares

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission under a shelf registration or continuous offering process. We may sell any combination of the securities described in this prospectus in one or more offerings. We may offer the securities separately or together, in separate series or classes and in amounts, at prices and on terms described in one or more supplements to this prospectus and other offering material.

This prospectus may also be used to offer securities to be issued to limited partners of Simon Property Group, L.P. in exchange for partnership interests or to cover the resale of securities by one or more selling security holders.

We or any selling security holder may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered, and any other information relating to a specific offering, will be set forth in a post-effective amendment to the registration statement of which this prospectus is a part, in a supplement to this prospectus, in other offering material related to the securities or may be set forth in one or more documents incorporated by reference in this prospectus.

Our common stock is traded on the New York Stock Exchange under the symbol SPG.

You should read carefully both this prospectus and any prospectus supplement or other offering material before you invest. This prospectus may be used to offer and sell securities only if accompanied by a prospectus supplement.

THE SECURITIES AND EXCHANGE COMMISSION AND STATE SECURITIES REGULATORS HAVE NOT APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED WHETHER THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is March 9, 2009

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus provides you with a general description of the securities offered by us. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement and any other offering material may also add to, update or change information contained in the prospectus or in documents we have incorporated by reference into this prospectus and, accordingly, to the extent inconsistent, information in or incorporated by reference in this prospectus is superseded by the information in the prospectus supplement and any other offering material related to such securities.

We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus. We are offering to sell, and seeking offers to buy, our securities only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of securities.

WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the Securities and Exchange Commission (SEC). Our SEC filings are also available over the Internet at the SEC s website at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC s public reference room in Washington, D.C. The SEC s address in Washington, D.C. is 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the securities that may be sold under this prospectus. For further information on us and the securities being offered, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

Table of Contents

WHO WE ARE

Simon Property Group, Inc. owns, develops and manages retail real estate properties, primarily regional malls, Premium Outlet® centers, The Mills® and community/lifestyle shopping centers. We have elected to be treated as a real estate investment trust, or REIT, for United States federal income tax purposes. We own our properties and conduct our business activities through our majority-owned subsidiary, Simon Property Group, L.P., or the Operating Partnership.

The core of our business originated with the shopping center businesses of Melvin Simon, Herbert Simon, David Simon and other members and associates of the Simon family. We have grown significantly by acquiring properties and merging with other real estate companies, including our 1996 merger with DeBartolo Realty Corporation, our 1998 combination with Corporate Property Investors, Inc., our 2004 acquisition of Chelsea Property Group, Inc. and our 2007 acquisition of a 50% interest in the joint venture that acquired The Mills Corporation, or Mills.

As of December 31, 2008, we owned or held an interest in 324 income-producing properties in the United States, which consisted of 164 regional malls, 16 additional regional malls acquired in the Mills acquisition, 40 Premium Outlet centers, 16 The Mills, 74 community/lifestyle centers, and 14 other shopping centers or outlet centers in 41 states and Puerto Rico. In addition, we also own interests in four parcels of land in the United States held for future development. Internationally as of December 31, 2008, we have ownership interests in 52 European shopping centers (France, Italy and Poland); seven Premium Outlet centers in Japan; one Premium Outlet center in Mexico; one Premium Outlet center in South Korea; and one shopping center in China. Also, through joint venture arrangements we have ownership interests in the following properties under development internationally: a 24% interest in two shopping centers in Italy, a 40% interest in a Premium Outlet Center in Japan, and a 32.5% interest in three additional shopping centers under construction in China.

Our predecessor was organized as a Massachusetts business trust in 1971 and reorganized as a Delaware corporation on March 10, 1998. Our principal executive offices are located at 225 West Washington Street, Indianapolis, Indiana 46204. Our telephone number is (317) 636-1600. Our Internet website address is www.simon.com. The information in our website is not incorporated by reference into this prospectus.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, unless the context otherwise requires, we, us and our refer to Simon Property Group, Inc. and its subsidiaries. Simon Property refers specifically to Simon Property Group, Inc. only and the Operating Partnership refers specifically to our majority-owned subsidiary, Simon Property Group, L.P.

USE OF PROCEEDS

We expect to use the net proceeds from the sale of the securities for general corporate purposes, unless otherwise specified in the prospectus supplement relating to a specific offering. Our general corporate purposes may include repaying debt, financing capital commitments and

Edgar Filing: SIMON PROPERTY GROUP INC /DE/ - Form 424B5

financing future acquisitions. If we decide to use the net proceeds from an offering in some other way, we will describe the use of the net proceeds in the prospectus supplement for that offering.

If a prospectus supplement includes an offering of securities by selling security holders, we will not receive any proceeds from such sales.

Table of Contents

DESCRIPTION OF SECURITIES BEING OFFERED

Authorized Stock

We have the authority to issue 750,000,000 shares of capital stock, par value \$0.0001 per share, consisting of the following:

- 400,000,000 shares of common stock,
- 12,000,000 shares of Class B common stock,
- 4,000 shares of Class C common stock,
- 100,000,000 shares of preferred stock, and
- 237,996,000 shares of excess common stock.

During 2008, all 4,000 shares of Class C common stock were converted into shares of common stock. As a result, the rights and privileges previously held by the holders of the Class C common stock have been relinquished.

Description of Common Stock and Class B Common Stock

Terms of Common Stock. As of December 31, 2008, there were 231,311,644 shares of common stock outstanding, which excludes the outstanding shares of Class B common stock described below and the shares of common stock held in treasury. The holders of shares of common stock:

- are entitled to one vote per share on all matters to be voted on by stockholders, other than the election of four directors who are elected exclusively by holders of Class B common stock;

- are not entitled to cumulate their votes in the election of directors;
- are entitled to receive dividends as may be declared from time to time by the board of directors, in its discretion, from legally available assets, subject to preferential rights of holders of preferred stock;
- are not entitled to preemptive, subscription or conversion rights; and
- are not subject to further calls or assessments.

The shares of common stock currently outstanding are, and the shares to be sold from time to time in one offering or a series of offerings pursuant to this prospectus will be, validly issued, fully paid and non-assessable. There are no redemption or sinking fund provisions applicable to the common stock.

Terms of Class B Common Stock. As of December 31, 2008, we had 8,000 shares of Class B common stock outstanding. Holders of Class B common stock:

- are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, other than the election of four directors who are elected exclusively by the holders of Class B common stock;
- are not entitled to cumulative voting for the election of directors; and
- are entitled to receive ratably such dividends as may be declared by the board of directors out of legally available funds, subject to preferential rights of holders of preferred stock;

If we are liquidated, each outstanding share of common stock and Class B common stock, including shares of Excess Common Stock, if any, will be entitled to participate *pro rata* in the assets remaining after payment of, or adequate provision for, all of our known debts and liabilities, subject to

Table of Contents

the right of the holders of preferred stock, including any excess preferred stock into which shares such series has been converted, to receive preferential distributions.

All outstanding shares of Class B common stock are held in a voting trust of which Melvin, Herbert and David Simon are the voting trustees. The holders of Class B common stock are entitled to elect four of our directors. However, they will be entitled to elect only two directors if the aggregate equity interest they own in us, including common stock, Class B common stock and units of limited partnership interest of the Operating Partnership considered on an as-converted basis, decreases to less than 50% of their aggregate ownership interest as of August 9, 1996.

Shares of Class B common stock may be converted at the holder's option into an equal number of shares of common stock. If the aggregate equity interest of the Simon family in us on a fully diluted basis has been reduced to less than 5%, the outstanding shares of Class B common stock convert automatically into an equal number of shares of common stock. Shares of Class B common stock also convert automatically into an equal number of shares of common stock upon the sale or transfer thereof to a person not affiliated with the Simon family. Holders of shares of common stock and Class B common stock have no sinking fund rights, redemption rights or preemptive rights to subscribe for any of our securities.

Under our charter, effective as of the 2009 annual meeting of stockholders and thereafter, so long as any shares of Class B common stock are outstanding, the number of members of the board of directors shall be nine. Under the charter, at least a majority of the directors shall be independent directors. The charter further provides that, subject to any separate rights of holders of Preferred Stock or as described below, any vacancies on the board of directors resulting from death, disability, resignation, retirement, disqualification, removal from office, or other cause of a director shall be filled by a vote of the stockholders or a majority of the directors then in office provided that any vacancy relating to a director elected by the Class B common stock is to be filled by the holders of the Class B common stock.

The charter provides that, subject to the right of holders of any class or series separately entitled to elect one or more directors, if any such right has been granted, directors may be removed with or without cause upon the affirmative vote of holders of at least a majority of the voting power of all the then outstanding shares entitled to vote generally in the election of directors, voting together as a single class.

Transfer Agent. BNY Mellon Shareowner Services is the transfer agent for our common stock.

Preferred Stock

Designated Series. Of the 100,000,000 authorized shares of preferred stock, the following series have been designated:

- 209,249 shares of 6.50% Series A Convertib