

KENNEDY CHRISTOPHER
 Form 4
 April 02, 2009

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KENNEDY CHRISTOPHER

2. Issuer Name and Ticker or Trading Symbol
**VORNADO REALTY TRUST
 [VNO]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
**222 MERCHANDISE MART
 PLAZA, SUITE 470**
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/31/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President - Merchandise Mart

CHICAGO, IL 60654

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Security
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)			
			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Options (Right to Buy)	\$ 103	03/31/2009	D ⁽¹⁾		50,000	⁽²⁾	03/31/2018	Common Shares	50,000
Options (Right to Buy)	\$ 121.58	03/31/2009	D ⁽¹⁾		9,546	⁽²⁾	03/07/2017	Common Shares	9,546
Restricted Units	⁽³⁾	04/01/2009	M		934	⁽⁴⁾	⁽⁴⁾	Common Shares	934
LTIP Units	⁽⁵⁾	04/01/2009	M		12,269	⁽⁸⁾	⁽⁵⁾	Common Shares	12,269
Class A Units	⁽⁶⁾	04/01/2009	M	13,203		⁽⁷⁾	⁽⁷⁾	Common Shares	13,203

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KENNEDY CHRISTOPHER 222 MERCHANDISE MART PLAZA SUITE 470 CHICAGO, IL 60654			President - Merchandise Mart	

Signatures

/s/ Alan Rice, Attorney
in Fact 04/02/2009

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The undersigned reporting person surrendered voluntarily to Vornado Realty Trust (the "Company") the outstanding options issued by the Company to the undersigned without any consideration of any kind from the Company for such surrender.
 - (2) These Options were scheduled to vest ratably over a five-year period from the date of grant.
On April 25, 2006, the reporting person received a grant of restricted units (the "Restricted Units") of Vornado Realty L.P. (the "Operating Partnership"), the operating partnership of the Company. The Restricted Units are a class of units of the Operating Partnership
 - (3) that, following the occurrence of certain events and upon vesting, are convertible by the holder into an equivalent number of Class A Units of the Operating Partnership. Class A Units are redeemable by the holder for cash or, at the Company's election, Common Shares of the Company on a one for one basis or the cash value of such shares.

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- (4) The Restricted Units vest in equal portions over a five-year period. The initial vesting occurred on April 1, 2007.
- The LTIP Units are a class of units of the Operating Partnership conditioned upon minimum allocations to the capital accounts of the LTIP Unit holder for federal income tax purposes. The LTIP Units are convertible by the reporting person, upon vesting, into an
- (5) equivalent number of Class A Units of the Operating Partnership, which are redeemable by the holder for cash or, at the Company's election, Common Shares of the Company on a one for one basis or the cash value of such shares. The rights to convert LTIP Units into Class A Units and redeem Class A Units do not have expiration dates.
- (6) Class A Units are redeemable by the holder for cash or, at the Company's election, Common Shares of the Company on a one for one basis or the cash value of such shares.
- (7) These Class A Units are immediately redeemable (subject to certain limitations set forth in the Vornado Realty L.P.'s limited partnership agreement). Class A Units do not have expiration dates.
- (8) Earned on 11/13/2006 and became exercisable upon vesting or upon receipt as a dividend payment.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.