

FASCITELLI MICHAEL D
 Form 4
 March 02, 2011

FORM 4

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

OMB APPROVAL

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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 *
 FASCITELLI MICHAEL D

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)
 888 SEVENTH AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/28/2011

Director 10% Owner
 Officer (give title below) Other (specify below)
 President & CEO

NEW YORK, NY 10019
 (City) (State) (Zip)

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

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 Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities Acquired (A) or | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) Code | Disposed of (D) | | Date Exercisable | Expiration Date | Title | Am Nu Sha |
|---------------------------------|------------------------------|------------------|-----------------|-----------------|--------|------------------|-----------------|---------------|-----------|
| | | | | (A) | (D) | | | | |
| Restricted Units ⁽¹⁾ | <u>(1)</u> | 02/28/2011 | A | 43,624 | | <u>(2)</u> | <u>(2)</u> | Common Shares | 4 |
| Options (Right to Buy) | \$ 91.695 | 02/28/2011 | A | 136,237 | | <u>(3)</u> | 02/27/2021 | Common Shares | 13 |
| Restricted Units | <u>(4)</u> | 03/01/2011 | M | | 29,829 | <u>(5)</u> | <u>(5)</u> | Common Shares | 29 |
| Class A Units | <u>(6)</u> | 03/01/2011 | M | 29,829 | | <u>(7)</u> | <u>(7)</u> | Common Shares | 29 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| FASCITELLI MICHAEL D 888 SEVENTH AVENUE NEW YORK, NY 10019 | X | | President & CEO | |

Signatures

/s/ Steven Santora, Attorney
in Fact 03/02/2011

__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).

- On February 28, 2011, 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
- (1) 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"). Class A Units of the Operating Partnership 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.
 - (2) The Restricted Units vest in equal portions over a four-year period with the initial vesting occurring on February 27, 2012.
 - (3) These options vest ratably over a four-year period with the first vesting occurring on February 27, 2012.
 - (4) On February 27, 2009, the reporting person received a grant of Restricted Units of the Operating Partnership.
 - (5) These Restricted Units vest in equal portions over a five-year period. The initial vesting occurred on March 1, 2010.
 - (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 Operating Partnership limited partnership agreement). Class A Units do not have expiration dates.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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