

SCHEAR MITCHELL N
Form 4
October 20, 2010

FORM 4

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

OMB APPROVAL

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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 *
SCHEAR MITCHELL N

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)
2345 CRYSTAL DRIVE, SUITE 1000

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/18/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President - VNO/Smith Division

ARLINGTON, VA 22202

(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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | | Code V | Amount | | |
| Common Shares | 10/18/2010 | | J ⁽¹⁾ | 15,172 A | \$ 0 45,383 ⁽¹⁾ | D | |

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)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Pr Deriv Secur (Instr | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------------------|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V | (A) | (D) |
| Class A Units | <u>(2)</u> | 10/18/2010 | | <u>J</u> ⁽¹⁾ | 15,172 | <u>(3)</u> | <u>(3)</u> | Common Shares | 15,172 |
| Class A Units | <u>(2)</u> | | | | | <u>(3)</u> | <u>(3)</u> | Common Shares | 17,123 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|--------------------------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SCHEAR MITCHELL N 2345 CRYSTAL DRIVE SUITE 1000 ARLINGTON, VA 22202 | President - VNO/Smith Division | | | |

Signatures

/s/ Mitchell
 Schear

10/19/2010

 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) Common shares of beneficial interest, par value \$.04 per share (the "Common Shares"), of Vornado Realty Trust were issued upon the redemption and tender of Class A units ("Class A Units") of Vornado Realty L.P. on a one for one basis. 15,172 of these common shares are subject to restrictions on transfer imposed by Vornado Realty Trust of which 312 common shares expire on April 1, 2011, 11,436 common shares expire on March 14, 2011 and 1,141 expire on March 31, 2011, 1,141 on March 31, 2012 and 1,142 expire on March 31, 2013. Based upon the closing price of the Company's Common Shares on October 18, 2010 of \$88.74 per share, approximately 24% of these restricted Common Shares may be disposed of by the Reporting Person to pay applicable capital gain income taxes.

(2) Class A Units may be redeemed at the election of the holder, in whole or in part for cash equal to the fair market value, at the time of redemption, of one Common Share for each Class A Unit redeemed or, at the option of Vornado Realty Trust, one such Common Share for each Class A Unit tendered for redemption.

(3) 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 have no expiration date.

(4) These Class A Units are held by Mr. Schear's spouse. Mr. Schear disclaims beneficial ownership of these units except to the extent of his pecuniary interest therein.

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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