

INDEPENDENCE REALTY TRUST, INC
Form DEF 14A
April 07, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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INDEPENDENCE REALTY TRUST, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- x No fee required.
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 - 1) Amount Previously Paid:

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 - 3) Filing Party:

4) Date Filed:

INDEPENDENCE REALTY TRUST, INC.

2929 Arch Street, 17th Floor

Philadelphia, PA 19104

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 14, 2015

To the Stockholders of INDEPENDENCE REALTY TRUST, INC.:

Notice is hereby given that the annual meeting (the Annual Meeting) of stockholders of INDEPENDENCE REALTY TRUST, INC., a Maryland corporation (IRT), will be held in IRT's offices located at the Cira Centre, 2929 Arch Street, Philadelphia, Pennsylvania, 19104, on Thursday, May 14, 2015, at 9:00 A.M., Philadelphia time, for the following purposes:

1. To elect five directors to serve until the next annual meeting of stockholders in 2016.
2. To approve the selection of KPMG LLP as the independent registered public accounting firm for IRT for the fiscal year ending December 31, 2015.
3. To transact such other business as may properly be brought before the Annual Meeting and any adjournment, postponement or continuation thereof.

Only stockholders of record on the books of IRT at the close of business on March 13, 2015 will be entitled to notice of and to vote at the Annual Meeting or any adjournments thereof. A list of stockholders entitled to vote at the Annual Meeting will be available for inspection at the Annual Meeting and at the offices of IRT at 2929 Arch Street, 17th Floor, Philadelphia, Pennsylvania 19104. The stock transfer books will not be closed.

STOCKHOLDERS CAN HELP AVOID THE NECESSITY AND EXPENSE OF SENDING FOLLOW-UP LETTERS TO ASSURE A QUORUM BY PROMPTLY RETURNING THE ENCLOSED PROXY. THE ENCLOSED ADDRESSED ENVELOPE REQUIRES NO POSTAGE AND YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE ITS USE.

By order of the Board of Directors,

/s/ ANDERS F. LAREN
Anders F. Laren
Secretary

April 6, 2015

INDEPENDENCE REALTY TRUST, INC.

2929 Arch Street, 17th Floor

Philadelphia, PA 19104

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

GENERAL

Introduction

The 2015 annual meeting of stockholders of Independence Realty Trust, Inc., or the annual meeting, will be held on Thursday, May 14, 2015, at 9:00 A.M., Philadelphia time, in the offices of IRT located at the Cira Centre, 2929 Arch Street, Philadelphia, Pennsylvania, 17th floor, for the purposes set forth in the accompanying notice. Only stockholders of record at the close of business on March 13, 2015 will be entitled to notice of and to vote at the annual meeting. Unless we have indicated otherwise, or the context otherwise requires, references in this proxy statement to

IRT, we, us, and our or similar terms are to Independence Realty Trust, Inc. and its subsidiaries. If you wish to attend the annual meeting and vote in person, you may contact Investor Relations at (215) 243-9000 for directions.

This statement is furnished in connection with the solicitation by the board of directors of IRT, or the board, of proxies from holders of our shares of common stock, par value \$0.01 per share, or common stock, to be used at the annual meeting, and at any and all adjournments thereof. Proxies in the accompanying form, properly executed and duly returned to IRT, and not revoked, will be voted at the annual meeting and any and all adjournments thereof.

We will send this proxy statement and the accompanying form of proxy on or about April 8, 2015 to stockholders of record of our common stock as of March 13, 2015.

Revocation of Proxy

If a proxy in the accompanying form is executed and returned, it may nevertheless be revoked at any time before its exercise by giving written notice of revocation to our secretary at the address given at the top of this page, by submitting a later dated proxy or by attending the annual meeting and voting in person.

Expenses and Manner of Solicitation

We will bear the cost of soliciting proxies. Our directors, officers and regular employees may solicit proxies either personally, by letter or by telephone. We will not specifically compensate our directors, officers or employees for soliciting proxies. We expect to reimburse banks, brokers, and other persons for their reasonable out-of-pocket expenses in handling proxy materials for beneficial owners of our shares of common stock.

VOTING AT THE ANNUAL MEETING

At the annual meeting, only those holders of shares of common stock at the close of business on March 13, 2015, the record date, will be entitled to vote. As of the record date, 31,794,751 shares of common stock were outstanding. Each holder is entitled to one vote per share on each matter of business properly brought before the annual meeting. Stockholders do not have cumulative voting rights. IRT has an authorized capitalization of 350,000,000 shares of stock, consisting of 300,000,000 shares of common stock and 50,000,000 shares of preferred stock, par value \$0.01 per share.

The presence at the annual meeting in person or by proxy of holders of outstanding shares of common stock entitled to cast a majority of all the votes entitled to be cast at the annual meeting will constitute a quorum. The presence of a quorum for any proposal establishes a quorum for all of the proposals, even if holders of outstanding shares of common stock entitled to cast a majority of all the votes entitled to be cast at the annual meeting do not vote on all of the proposals.

Shares of common stock represented at the annual meeting in person or by proxy but not voted on one or more proposals will be included in determining the presence of a quorum for all of the proposals, but will not be considered cast on any proposal on which they were not voted. A failure by brokers to vote in person or by proxy shares of common stock held by them in nominee name will mean that such shares of common stock will not be counted for the purposes of establishing a quorum and will not be voted.

We refer to the situation where a broker does not receive voting instructions from the beneficial owner of shares of common stock on a particular matter and indicates on the proxy delivered with respect to such shares of common stock that it does not have discretionary authority to vote on that matter as a broker non-vote. For broker non-votes, those shares of common stock will be considered as present for the purpose of determining whether a quorum exists, but will not be considered cast on any proposal on which they were not voted. With respect to abstentions, those shares of common stock will be considered as present for the purpose of determining whether a quorum exists, but will not be considered cast on any matter.

Brokers that are member firms of the NYSE MKT and who hold shares of common stock in street name for customers generally may vote their customers' shares on proposals considered a routine matter under the NYSE MKT rules and may not vote their customers' shares on proposals that are not considered a routine matter under the NYSE MKT rules if the customers have not furnished voting instructions within a specified period of time prior to the annual meeting. Proposal One described below is not considered a routine matter under the NYSE MKT rules. Proposal Two described below is considered a routine matter under the NYSE MKT rules.

Proposal 1. In order to be elected as a director as described in Proposal 1 below, a nominee must receive a plurality of all the votes cast at the annual meeting at which a quorum is present, which means that the nominees with the most votes are elected.

Proposal 2. The affirmative vote of the holders of at least a majority of the votes cast at the annual meeting at which a quorum is present is required to approve the selection of KPMG LLP, or KPMG, as our independent registered public accounting firm as described in our discussion of Proposal 2 below.

Proposal 3. For any other matter which may properly come before the annual meeting as described in our discussion of Proposal 3 below, the affirmative vote of the holders of at least a majority of the votes cast at the annual meeting at which a quorum is present is required, either in person or by proxy, for approval, unless otherwise required by law.

Any proxy not specifying to the contrary, and not designated as a broker non-vote, will be voted *FOR*:

the election of the directors; and

the approval of the selection of KPMG as the independent registered public accounting firm for IRT for the fiscal year ending December 31, 2015.

Should any matters not described above be properly presented at the meeting, the persons named in the proxy will vote in accordance with their judgment. The proxy authorizes these persons, in their discretion, to vote upon such matters as may properly be brought before the meeting or any adjournment, postponement or continuation thereof.

PROPOSAL 1. ELECTION OF DIRECTORS

Directors

Our by-laws provide that the number of directors shall be fixed by resolution of the board, provided that there shall never be less than the minimum number required by Maryland law, nor more than 15. The board has fixed the number of directors at five. All directors are elected for a term of one year or until their successors are elected and qualified. The board, upon the recommendation of its nominating and governance committee, or the nominating committee, has nominated Scott F. Schaeffer, William C. Dunkelberg, Ph.D., Robert F. McCadden, DeForest B. Soaries, Jr., D.Min. and Sharon M. Tsao for election at the annual meeting for a term to expire at the 2016 annual meeting or until their successors are elected or appointed.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE *FOR* EACH OF THE NOMINEES NAMED IN PROPOSAL 1.

It is the intention of the persons named in the enclosed proxy, in the absence of a contrary direction, to vote for the election of all of the nominees named in Proposal 1. Should any of the nominees become unable or refuse to accept nomination or election as a director, the persons named as proxies intend to vote for the election of such other person as the nominating committee may recommend. The board knows of no reason why any of the nominees might be unable or refuse to accept nomination or election.

Information is set forth below regarding the principal occupation of each nominee.

Names of Directors, Principal Occupations and Other Information

Scott F. Schaeffer, age 52, has served as the chairman of our board since January 2011, our chief executive officer since February 2013 and as our president from February 2013 to August 2014. He has also served as the chief executive officer of RAIT Financial Trust, or RAIT, a real estate investment trust which is our largest stockholder and whose subsidiary is our advisor, since February 2009, its chairman since December 2010, its president from February 2008 to January 2014, its chief operating officer from February 2008 to February 2009, its co-president and co-chief operating officer from December 2006 to February 2008 and its president and chief operating officer from September 2000 to December 2006. Mr. Schaeffer served as the vice chairman of the board of directors of Resource America, Inc. (NASDAQ: REXI), a specialty finance company, from 1998 to 2000, the executive vice president of Resource America from 1997 to 1998, and a senior vice president of Resource America from 1995 to 1997. Mr. Schaeffer also served as president of Resource Properties, Inc., a wholly owned real estate subsidiary of Resource America, from 1992 to 2000. Mr. Schaeffer served as a director of Resource America until October 2002. Mr. Schaeffer holds a Bachelor of Science in Commerce from Rider University in Lawrenceville, New Jersey. Mr. Schaeffer was selected to serve on our board primarily because of his substantial involvement in the acquisition and financing of apartment properties over his career in real estate. We believe that he is uniquely capable of committing our advisor's resources to help us identify, acquire and finance investments in apartment properties.

William C. Dunkelberg, Ph.D., age 72, has served as one of our independent directors since February 2011. Dr. Dunkelberg has served as the chairman of the board of directors since July 2005 and member of the audit committee since 2003 of Liberty Bell Bank, a publicly-traded commercial bank chartered in New Jersey. Dr. Dunkelberg serves as a Professor Emeritus in the College of Liberal Arts at Temple University in Philadelphia, Pennsylvania after having served as Professor of Economics from 1987 to his retirement in 2012 and as Dean of the School of Business and Management from 1987 to 1994. He has served as chief economist for the National Federation of Independent Business, a nonprofit industry association representing small and independent businesses, since 1973. Dr. Dunkelberg was a consultant to the National Federation of Independent Business from 1970 until he accepted the position as chief economist. He has served as Economic Strategist for Boenning & Scattergood, an independent investment banking firm, since April 2009. He co-founded Wireless

Energy Solutions, a private company, in July 2009, and continues to serve on its board of directors. He previously served as a member of the board of directors of NCO Group, Inc., a public provider of business process outsourcing solutions, from 2000 until the company was sold in November 2006. Dr. Dunkelberg holds a Bachelor of Arts, a Master of Economics and a Doctor of Philosophy in Economics, each from the University of Michigan in Ann Arbor. Dr. Dunkelberg was selected to serve on our board of directors primarily because of his expertise in economics and banking and his experience as a director of both public and private companies.

Robert F. McCadden, age 57, has served as one of our independent directors since February 2011. Mr. McCadden has served as executive vice president and chief financial officer of Pennsylvania Real Estate Investment Trust, a publicly-traded REIT (NYSE: PEI), since 2004. He was a partner of KPMG LLP, or KPMG, a national accounting firm, from 2002 to 2004. Before joining KPMG, Mr. McCadden joined Arthur Andersen LLP, a national accounting firm, in 1979 and became partner in 1993. He continued as a partner of Arthur Andersen LLP until he joined KPMG in 2002. He currently serves as a trustee on the board of trustees, or the UHT board, of Universal Health Realty Income Trust (NYSE: UHT), or UHT, a publicly held REIT, and serves as a member of the audit committee of the UHT board. He is a member of the American Institute of Certified Public Accountants (AICPA), the Pennsylvania Institute of Certified Public Accountants (PICPA), the National Association of Real Estate Investment Trusts (NAREIT) and the International Council of Shopping Centers (ICSC). Mr. McCadden is a Certified Public Accountant and holds a Bachelor of Business Administration from Temple University. Mr. McCadden was selected to serve on our board because of his accounting and financial expertise and experience with public REITs.

DeForest B. Soaries, Jr., D.Min., age 63, has served as one of our independent directors since February 2011. Dr. Soaries has served as a director for the Federal Home Loan Bank of New York since January 2009, a position which he previously held from February to December 2003. In this capacity, he served on the affordable housing committee that reviews and approves housing development projects for government funding. Since 1990, he has served as the Senior Pastor of the First Baptist Church of Lincoln Gardens in Somerset, New Jersey, where he currently leads a congregation of 7,000 members. Since January 2015, he has served as a director on the board of directors, or the OCWEN board, of OCWEN Financial Corporation (NYSE: OCN), a publicly traded financial services holding company engaged in the servicing and origination of mortgage loans, and serves as a member of the audit committee of the OCWEN board. From 2004 to 2005, he served as the first chairman of the U.S. Election Assistance Commission (EAC), appointed by former President George W. Bush and confirmed by the U.S. Senate. From 1999 to 2002, Dr. Soaries served as Secretary of State of New Jersey. In this capacity, he served for three years on the Governor's Urban Coordinating Council that guided state policy on real estate development, most of which was apartment real estate development. Dr. Soaries was a professor at the Drew University Theological School in Madison, New Jersey from 1997 to 1999, Kean University in Union, New Jersey from 1993 to 1994 and Princeton Theological Seminary in Princeton, New Jersey from 1992 to 1993 and an assistant professor at Mercer County Community College in Trenton, New Jersey from 1989 to 1991. He has led the development, ownership, conversion and management of several apartment projects as a community development executive and is currently developing a mixed-use property with approximately 80 senior housing units. Dr. Soaries holds a Bachelor of Arts in Urban and Religious Studies from Fordham University in Bronx, New York, a Master of Divinity from Princeton and a Doctor of Ministry from United Theological Seminary in Dayton, Ohio. Dr. Soaries was selected to serve on our board primarily because of his diverse background in banking, community development, apartment properties, government and as a director of the Federal Home Loan Bank of New York.

Sharon M. Tsao, age 50, has served as one of our independent directors since July 2014. Ms. Tsao has served as an executive officer of Contemporary Staffing Solutions, Inc., or CSS, a workforce management company, since 2011, been a principal of CSS since 2001 and served in other roles on the leadership team of CSS since its inception in 1994. Before joining CSS, she was a national account sales representative with Ceridian Corporation, a publicly traded company now known as Arbitron Inc. (NYSE:ARB), from 1988 to 1994. Ms. Tsao holds a Bachelor of Science degree in finance and marketing from Drexel University. Ms. Tsao was selected to serve on our board because of her broad business knowledge and experience gained in leadership roles in numerous areas, including finance and sales.

Information Concerning Our Board of Directors, Committees and Governance

Corporate Governance Profile

Our shares of common stock are listed on the NYSE MKT under the symbol IRT and we are subject to the NYSE MKT's listing standards. We have adopted corporate governance guidelines and charters for the audit, compensation and nominating committees of the board intended to satisfy NYSE MKT listing standards. We have also adopted a code of ethics, or the code of ethics, for our directors, officers and employees intended to satisfy NYSE MKT listing standards and the definition of a code of ethics set forth in applicable Securities and Exchange Commission, or SEC, rules. Our corporate governance guidelines, code of ethics and these charters are available on our website at www.irtreit.com.

We operate under the direction of our board of directors. Our board of directors is responsible for the overall management and control of our affairs. Our board of directors has delegated authority to make investments within certain parameters and in accordance with our investment guidelines to our advisor and our board of directors' prior approval for investments outside those parameters is required. See- Our Advisor, Our Property Manager and Related Agreements-Our Advisory Agreement below. Our board of directors reviews all investment decisions involving the acquisitions of properties at least quarterly with management.

We currently have five directors, four of whom are independent directors under standards established by the SEC and the NYSE MKT. Our independent directors are Messrs. Dunkelberg, McCadden and Soaries and Ms. Tsao. Directors are elected annually by our stockholders, and there is no limit on the number of times a director may be elected to office. Each director serves until the next annual meeting of stockholders or (if longer) until his or her successor is duly elected and qualifies.

Our board of directors has approved our publicly disclosed objectives and strategies on investments and borrowing. The directors may establish further written objectives and strategies on investments and borrowings, or modify existing strategies and objectives, and will monitor our administrative procedures, investment operations and performance.

The board has no policy in principle with respect to the separation of the offices of chairman and the chief executive officer. Since February 2013, Mr. Schaeffer has served as both chairman and chief executive officer. From January 2011 to February 2013, the offices were separated with Mr. Schaeffer serving as chairman. In the periods when the positions of chairman and chief executive officer have been held by the same person, including the current time, no lead independent director has been designated. The board believes that our corporate governance guidelines provide it with appropriate flexibility to determine from time to time the leadership structure for IRT that best enables it to pursue its business strategies and goals. The board considered Mr. Schaeffer's significant experience in the industry, with RAIT and with IRT as part of its rationale for deciding to combine the roles. The board believes that its current leadership structure is appropriate at this time because it enhances Mr. Schaeffer's ability to provide strong and consistent leadership and a unified voice for IRT and because the board believes its governance processes, as reflected in our corporate governance guidelines and board committee charters, preserve board independence by ensuring independent discussion among directors and independent evaluation of, and communication with, members of senior management.

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance structure include the following:

our board of directors is not staggered, with each of our directors subject to annual re-election;

of the five persons who serve on our board of directors, four, or 80%, of our directors, have been determined by us to be independent for purposes of the NYSE MKT's corporate governance listing standards;

we have opted out of the business combination and control share acquisition statutes in the Maryland General Corporation Law, or the MGCL; and

we do not have a stockholder rights plan.

The board held a total of 11 meetings during 2014. The board currently has a standing audit committee, compensation committee and nominating committee. The directors who serve on these committees, the current chairman of these committees and the number of meetings these committees held during 2014 are set forth below:

Board Member	Audit	Compensation	Nominating
Scott F. Schaeffer			
William C. Dunkelberg, Ph.D	X	X	Chairman
Robert F. McCadden	Chairman	X	X
DeForest B. Soaries, Jr., D.Min	X	Chairman	X
Sharon M. Tsao			
Meetings held in 2014	12	5	4

During fiscal 2014, all incumbent directors attended at least 75% of the aggregate of:

the total number of meetings of the board held during the period for which the director had been a director; and

the total number of meetings held by all committees of the board on which the director served during the periods that the director served.

Our corporate governance guidelines provide that directors are invited and encouraged to attend our annual meeting of stockholders. All of the directors of IRT serving at the time attended our 2014 annual meeting of stockholders.

Our corporate governance guidelines provide that the independent directors will meet in executive session on a regularly scheduled basis, but not less frequently than quarterly. Our corporate governance guidelines provide that the director who presides at these meetings of the independent directors will be rotated each meeting among the chairs of the audit committee, compensation committee and nominating committee, in the following order: audit committee chairman, compensation committee chairman and nominating committee chairman. Our corporate governance guidelines provide that any interested parties desiring to communicate with the independent directors regarding IRT may directly contact such directors by delivering correspondence in care of IRT's secretary at Cira Centre, 2929 Arch St., 17th Floor, Philadelphia, Pennsylvania 19104. Stockholders may send communications to the board by sending them to IRT's secretary as well. The secretary will forward these communications to the chairman of the audit committee, who will distribute them to the board members to whom the communications are addressed.

Board Role in Risk Oversight

The board's role is to oversee IRT's risk management process. The board oversees risk through: (i) review and discussion of regular periodic reports to the board and its committees, including management reports and studies on existing market conditions, leasing activity and property operating data, as well as actual and projected financial results, and various other matters relating to our business; (ii) required approval by the audit committee of all related party transactions; (iii) review and discussion of drafts of IRT's periodic reports to the SEC; and (iv) regular periodic reports from our independent public accounting firm and other outside consultants, if necessary, regarding various areas of potential risk, including, among others, those relating to the qualification of IRT as a REIT for U.S. federal income tax purposes and our internal controls over disclosure and financial reporting.

The audit committee enhances the board's oversight of risk management. The audit committee's role is also one of oversight, recognizing that management is responsible for executing IRT's risk management policies. The audit committee's responsibilities include discussing with management, the independent auditor and the internal auditor policies with respect to risk assessment and risk management, including significant financial risk exposures and the steps management has taken to monitor, control and report such exposures.

The compensation committee also enhances the board's oversight of risk management by considering the impact of IRT's compensation plans, and the incentives created by IRT's compensation plans, on IRT's risk profile.

Board Committees

We currently have a standing audit committee, compensation committee and nominating committee. All of our standing committees consist solely of independent directors, the principal functions of which are briefly described below. Our board of directors may from time to time establish other committees to facilitate our management.

Audit Committee

Our board has established an audit committee consisting of three of our independent directors, William C. Dunkelberg, Robert F. McCadden and DeForest B. Soaries, Jr. Mr. McCadden is the audit committee chairman and an audit committee financial expert, as defined by applicable rules promulgated by the SEC and the NYSE MKT corporate governance listing standards. Our audit committee operates pursuant to a written charter adopted by our board. The principal functions of the audit committee are oversight related to:

our accounting and financial reporting processes;

the integrity of our consolidated financial statements and financial reporting process;

our systems of disclosure controls and procedures and internal control over financial reporting;

our compliance with financial, legal and regulatory requirements;

the evaluation of the qualifications, independence and performance of our independent registered public accounting firm;

the performance of our internal audit function;

oversight of compliance with our code of ethics, including the review of related party transactions and the granting of waivers to the code of ethics; and

our overall risk profile, as described in [Board Role in Risk Oversight](#) above.

The audit committee is also responsible for engaging an independent registered public accounting firm, reviewing with the independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by the independent registered public accounting firm, including all audit and non-audit services, reviewing the independence of the independent registered public accounting firm, considering the range of audit and non-audit fees and reviewing the adequacy of our internal accounting controls. The audit committee also prepares the audit committee report required by SEC regulations to be included in our annual proxy statement. The audit committee has adopted the audit and non-audit services pre-approval guidelines attached as [Appendix A](#) to this proxy statement.

Our board has delegated oversight of compliance with our code of ethics to our audit committee, including the review of related party transactions and the granting of waivers to the code of ethics. If the audit committee grants any waivers to the code of ethics for any of our executive officers and directors, we will promptly disclose such waivers as required by law or NYSE MKT regulations.

Audit Committee Report

In connection with the preparation and filing of Independence Realty Trust, Inc.'s, or IRT, annual report on Form 10-K for the year ended December 31, 2014, or the annual report:

The audit committee of the board of directors of IRT, or the audit committee, has reviewed and discussed the audited financial statements to be included in the annual report with IRT's management;

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The audit committee has discussed with IRT's independent registered public accounting firm, KPMG LLP, or KPMG, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board, or the PCAOB, in Rule 3200T;

The audit committee has received the written disclosures and the letter from KPMG required by applicable requirements of the PCAOB regarding KPMG's communications with the audit committee concerning independence, and has discussed with KPMG the independence of KPMG and satisfied itself as to KPMG's independence; and

Based on the review and discussions referred to above, the audit committee recommended to the board of directors of IRT that the audited financial statements be included in the annual report.

The audit committee has provided this report. This report shall not be deemed incorporated by reference by any general statement incorporating this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Act, and the Securities Exchange Act of 1934, as amended, or the Exchange Act, except to the extent IRT specifically incorporates this information by reference, and shall not otherwise be deemed filed under the Securities Act or the Exchange Act.

The Audit Committee of the Board of Directors:

Robert F. McCadden, Chairman
William C. Dunkelberg
DeForest B. Soaries, Jr

Compensation Committee

Our board of directors has established a compensation committee consisting of three of our independent directors, Messrs. Dunkelberg, McCadden and Soaries. Mr. Soaries is the compensation committee chairman. Our compensation committee operates pursuant to a written charter adopted by our board. The principal functions of the compensation committee include:

reviewing and approving on an annual basis the corporate goals and objectives relevant to our chief executive officer's compensation, if any, evaluating our chief executive officer's performance in light of such goals and objectives and determining and approving the remuneration, if any, of our chief executive officer based on such evaluation;

reviewing and approving the compensation, if any, of all of our other executive officers;

reviewing our executive compensation policies and plans;

overseeing plans and programs related to the compensation of the advisor, including fees payable to the advisor pursuant to the advisory agreement with our advisor;

implementing and administering our long term incentive award plan, or the LTIP, and any other incentive compensation equity-based remuneration plans, if any;

assisting management in complying with our proxy statement and annual report disclosure requirements;

producing a report on executive compensation to be included in our annual proxy statement; and

reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Mr. Schaeffer, our chairman and chief executive officer, provides input and recommendations to the compensation committee for the compensation, if any, paid to each of our named executives and persons affiliated with our advisor. The compensation committee considers these recommendations when making compensation decisions, including awards under the LTIP.

Under its charter, the compensation committee has authority to retain compensation consultants, outside counsel, and other advisors that the committee deems appropriate, in its sole discretion, to assist it in discharging its duties, and to approve the terms of retention and fees to be paid to such consultants. The compensation committee has not engaged a compensation consultant and currently has no plans to engage a compensation consultant. During 2014, the compensation committee engaged the law firm of Duane Morris LLP, or Duane Morris, to advise it regarding awards to be made under the LTIP. Duane Morris attorneys are also engaged by RAIT to represent RAIT. The compensation committee has reviewed these engagements using the factors set forth in NYSE MKT standards for compensation committee consultants mandated by the Dodd-Frank Act. The compensation committee considers the attorneys at Duane Morris who represent the compensation committee to be independent from our management and independent under these standards.

Nominating Committee

Our board has established a nominating committee consisting of three of our independent directors, Messrs. Dunkelberg, McCadden and Soaries. Mr. Dunkelberg is the nominating committee chairman. Our nominating committee operates pursuant to a written charter adopted by our board. The principal functions of the nominating committee include:

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identifying and recommending to the full board qualified candidates for election as directors and recommending nominees for election as directors at the annual meeting of stockholders;

developing and recommending to the board corporate governance guidelines and implementing and monitoring such guidelines;

reviewing and making recommendations on matters involving the general operation of the board, including board size and composition, and committee composition and structure;

recommending to the board nominees for each committee of the board;

annually facilitating the assessment of the board's performance as a whole and of the individual directors, as required by applicable law, regulations and the NYSE MKT corporate governance listing standards; and

overseeing the board's evaluation of management.

The nominating committee uses a variety of methods for identifying and evaluating nominees for director. In recommending director nominees to the board, the nominating committee solicits candidate recommendations from its own members, other directors and management. It also may engage the services and pay the fees of a professional search firm to assist it in identifying potential director nominees. The nominating committee assesses the appropriate size of the board and whether any vacancies on the board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, the nominating committee considers whether to fill those vacancies and, if applicable, considers various potential director candidates. These candidates are evaluated at regular or special meetings of the nominating committee, and may be considered at any point during the year. The nominating committee seeks to make its recommendations for director nominees for each annual meeting to the board at its first meeting held each year.

The nominating committee has not adopted specific, minimum qualifications or specific qualities or skills that must be met by a nominating committee-recommended nominee. The nominating committee seeks to ensure that the membership of the board and each committee of the board satisfies all relevant listing standard requirements of the NYSE MKT and applicable laws and regulations and all requirements of our governance documents, as well as to provide directors who have a mixture of skills relevant to our business. The nature of the specific qualifications, qualities, experience or skills (including international versus domestic background, diversity, age, and legal and regulatory requirements) that the nominating committee may look for in any particular director nominee depends on the qualifications, qualities, experience and skills of the rest of the directors at the time of any vacancy on the board. The nominating committee does not have a formal policy regarding the consideration of diversity in identifying director nominees beyond being committed to ensuring that no person would be excluded from consideration for service as a director of IRT as a result of their sex, race, religion, creed, sexual orientation or disability.

The nominating committee will consider candidates for nomination as a director recommended by stockholders, directors, officers, third party search firms and other sources. In evaluating candidates, the nominating committee considers the attributes of the candidate and the needs of the board, and will review all candidates in the same manner, regardless of the source of the recommendation. The nominating committee will consider individuals recommended by stockholders for nomination as a director in accordance with the procedures described under "Stockholder Proposals and Nominations."

PROPOSAL 2. APPROVAL OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee has completed a competitive process to review the appointment of IRT's independent registered public accounting firm for the year ending December 31, 2014. As a result of this process, on March 28, 2014, the audit committee approved appointing KPMG to serve as IRT's independent public accountants for the fiscal year ending December 31, 2014. Grant Thornton LLP, or Grant Thornton, notified IRT on March 19, 2014 that it would not participate in this process and so declined to stand for re-appointment for that role. During 2014, the audit committee engaged KPMG to re-audit the consolidated financial statements of IRT for the fiscal years ended December 31, 2013 and 2012.

The audit reports of Grant Thornton on the consolidated financial statements of IRT for the fiscal years ended December 31, 2013 and 2012 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 31, 2013 and 2012 and the subsequent interim period through March 19, 2014, there were: (1) no disagreements (as that term is defined in Item 304(a)(1)(iv) and related instructions of Regulation S-K) between IRT and Grant Thornton on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Grant Thornton, would have caused Grant Thornton to make reference thereto in their reports on IRT's financial statements for such years, and (2) no reportable events (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

During the fiscal years ended December 31, 2013 and 2012 and the subsequent interim period through March 28, 2014, IRT did not consult with KPMG regarding: (1) the application of accounting principles to a specified transaction, either completed or proposed; (2) the type of audit opinion that might be rendered on IRT's financial statements, and KPMG did not provide any written report or oral advice that KPMG concluded was an important factor considered by IRT in reaching a decision as to any such accounting, auditing or financial reporting issue; or (3) any matter that was either the subject of a disagreement (as that term is defined in Item 304(a)(1)(iv) and the related instructions of Regulation S-K) or reportable event (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE *FOR* THE SELECTION OF KPMG TO AUDIT THE FINANCIAL STATEMENTS OF IRT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015.

We expect that representatives of KPMG will be present at the annual meeting. These representatives will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

Audit Fees

The following table presents the aggregate fees billed by KPMG for each of the services listed below for each of our last two fiscal years. In accordance with guidance from the SEC's office of the chief accountant, we do not include fee disclosure for Grant Thornton.

	2014	2013
Audit Fees(1)	\$ 570,000	\$
Audit-Related Fees(2)		
Tax Fees(3)	30,000	
All Other Fees(4)		
Total	\$ 600,000	\$

- (1) Audit fees consisted of the aggregate fees billed for professional services rendered by KPMG in connection with its audit of our consolidated financial statements, audit of internal controls relating to Section 404 of the Sarbanes-Oxley Act, audits of our consolidated subsidiaries and its reviews of the unaudited consolidated interim financial statements that are normally provided in connection with statutory and regulatory filings or engagements for these fiscal years. Audit fees include fees of \$125,000 associated with the reaudit of our consolidated financial statements for 2013 and 2012. Audit fees include fees of \$135,000 and \$0 associated with the registration and/or issuance of our shares of common stock during 2014 and 2013, respectively.
- (2) These are fees for assurance and related services that traditionally are performed by independent auditors that are reasonably related to the performance of the audit or review of the financial statements, such as due diligence related to acquisitions and dispositions, attestation services that are not required by statute or regulation, internal control reviews, and consultation concerning financial accounting and reporting standards; however, no such services were rendered in the relevant periods.
- (3) Tax fees would consist of the aggregate fees billed for professional services rendered by KPMG for tax compliance, tax advice and tax planning.
- (4) All other fees would consist of the aggregate fees billed for products and services provided by KPMG other than the services described under audit fees, audit-related fees and tax fees; however, no such products and services were provided in the relevant periods. Exchange Act rules generally require any engagement by a public company of an accountant to provide audit or non-audit services to be pre-approved by the audit committee of that public company. This pre-approval requirement is waived with respect to the provision of services other than audit, review or attest services if certain conditions set forth in Rule 2-01(c)(7)(i)(C) under the Exchange Act are met. All of the audit and audit-related services described above were pre-approved by the audit committee and, as a consequence, such services were not provided pursuant to a waiver of the pre-approval requirement set forth in this Rule. The audit committee has adopted the audit and non-audit services pre-approval guidelines attached as Appendix A to this proxy statement.

PROPOSAL 3. OTHER MATTERS

As of the date of this proxy statement, the board does not intend to present and has not been informed that any other person intends to present any other matters for action at the annual meeting. However, if other matters do properly come before the annual meeting or any adjournment, postponement or continuation thereof, it is the intention of the persons named as proxies to vote upon them in accordance with their best judgment. For any other matter which may properly come before the annual meeting, the affirmative vote of the holders of at least a majority of the votes cast at the annual meeting at which a quorum is present is required, either in person or by proxy, for approval, unless otherwise required by law.

Except as set forth in this section, all shares of common stock represented by valid proxies received will be voted in accordance with the provisions of the proxy.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number and percentage owned by each person who, to the knowledge of IRT as of March 13, 2015, is the beneficial owner of more than 5% of the outstanding shares of common stock. This information is reported in accordance with the beneficial ownership rules of the SEC under which a person is deemed to be the beneficial owner of a security if that person has or shares voting power or investment power with respect to such security or has the right to acquire such ownership within 60 days. Shares of common stock issuable pursuant to warrants or convertible notes are deemed to be outstanding for purposes of computing the percentage ownership of the person or group holding such options or warrants but are not deemed to be outstanding for purposes of computing the percentage ownership of any other person. Unless otherwise indicated in footnotes to the table, each person listed has sole voting and dispositive power with respect to the securities owned by such person.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	RAIT Financial Trust	7,269,719(1)	22.9%
Common Stock	Philip J. Hempleman	1,776,769(2)	5.6%
Common Stock	2 nd Market Capital Advisory Corporation	1,604,354(3)	5.0%

- (1) Information obtained from the Schedule 13D/A filed with the SEC on December 10, 2014 by RAIT and its subsidiaries, RAIT NTR Holdings, LLC, or RAIT NTR, Taberna IR Holdings Member, LLC, or Taberna IR, Belle Creek Member, LLC, or Belle Creek, Crestmont Member, LLC, or Crestmont, Copper Mill Member, LLC, or Copper Mill, Cumberland Member, LLC, or Cumberland, Heritage Trace Member, LLC, or Heritage, Tresa at Arrowhead Member, LLC, or Tresa, and Centrepoint Member, LLC, or Centrepoint. RAIT NTR, Taberna IR, Belle Creek, Crestmont, Copper Mill, Cumberland, Heritage, Tresa and Centrepoint, are sometimes collectively referred to herein as the RAIT subsidiaries. The RAIT subsidiaries are the direct holders of the common stock while RAIT, as their ultimate parent, is an indirect beneficial owner. RAIT reports shared voting and shared dispositive power with respect to 7,269,719 shares of common stock. RAIT NTR reports shared voting and shared dispositive power with respect to 2,060,719 shares of common stock. Taberna IR reports shared voting and shared dispositive power with respect to 97,500 shares of common stock. Belle Creek reports shared voting and shared dispositive power with respect to 352,500 shares of common stock. Crestmont reports shared voting and shared dispositive power with respect to 675,000 shares of common stock. Copper Mill reports shared voting and shared dispositive power with respect to 736,500 shares of common stock. Heritage reports shared voting and shared dispositive power with respect to 550,000 shares of common stock. Tresa reports shared voting and shared dispositive power with respect to 917,500 shares of common stock. Centrepoint, reports shared voting and shared dispositive power with respect to 1,190,000 shares of common stock. Cumberland reports shared voting and shared dispositive power with respect to 690,000 shares of common stock. The address of the principal business and principal executive offices of each of RAIT and the RAIT subsidiaries is Cira Centre, 2929 Arch Street, 17th Floor, Philadelphia, PA 19104.
- (2) Information obtained from the Schedule 13GA filed with the SEC on February 17, 2015 by Philip J. Hempleman, or Mr. Hempleman, Ardsley Advisory Partners, or Ardsley, Ardsley Partners I, or Ardsley Partners, Ardsley Partners Fund II, L.P., or AP II, Ardsley Partners Institutional Fund, L.P., or Ardsley Institutional, and Ardsley Partners US Equity UCITS Fund plc, or Ardsley US Equity. Mr. Hempleman reports shared voting and shared dispositive power with respect to 1,776,769 shares of common stock. Mr. Hempleman, the Managing Partner of Ardsley and Ardsley Partners, reports with respect to the shares owned by AP II, Ardsley Institutional and Ardsley US Equity and with respect to the shares owned by certain accounts managed by him directly. Ardsley reports shared voting and shared dispositive power with respect to 1,100,000 shares of common stock. Ardsley, which serves as Investment Adviser of AP II and Ardsley Institutional and as Sub-Advisor of Ardsley US Equity, reports with respect to the shares directly owned by AP II, Ardsley Institutional and Ardsley US Equity. Ardsley Partners reports shared voting and shared dispositive power with respect to 1,052,800 shares of common stock. Ardsley Partners, which serves

as general partner of AP II and Ardsley Institutional, reports with respect to the shares owned by AP II and Ardsley Institutional. AP II reports shared voting and shared dispositive power with respect to 563,900 shares of common stock. AP II reports with respect to the shares directly owned by it. Ardsley Institutional reports shared voting and shared dispositive power with respect to 488,900 shares of common stock. Ardsley Institutional reports with respect to the shares directly owned by it. Ardsley US Equity reports shared voting and shared dispositive power with respect to 47,200 shares of common stock. Ardsley US Equity reports with respect to the shares directly owned by it. The address of the business office of each of the reporting persons in this footnote is 262 Harbor Drive, Stamford, Connecticut 06902.

- (3) Information obtained from the Schedule 13G filed with the SEC on January 29, 2015 by 2nd Market Capital Advisory Corporation, or 2nd Market. 2nd Market reports sole voting and sole dispositive power with respect to these shares of common stock. The address of the principal business office of 2nd Market is 650 N. High Point Road, Madison, Wisconsin 53717.

The following tables set forth the number and percentage owned as of March 13, 2015 by each of our present directors, each of our present named executives, as defined in Executive Officer Compensation below, and all of our present executive officers (whether or not deemed to be named executives) and directors as a group of our shares of common stock.:

This information is reported in accordance with the beneficial ownership rules of the SEC under which a person is deemed to be the beneficial owner of a security if that person has or shares voting power or investment power with respect to such security or has the right to acquire such ownership within 60 days. Shares of common stock issuable pursuant to vested options, warrants or share appreciation rights, or SARs, are deemed to be outstanding for purposes of computing the percentage ownership of the person or group holding such options or warrants but are not deemed to be outstanding for purposes of computing the percentage ownership of any other person. Unless otherwise indicated in footnotes to the table, each person listed has sole voting and dispositive power with respect to the securities owned by such person.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	Directors:		
	Scott F. Schaeffer	32,493(1)	*
	William C. Dunkelberg	6,000	*
	Robert F. McCadden	11,000	*
	DeForest B. Soaries, Jr	7,000	*
	Sharon M. Tsao		
	Non-Director Executive Officers:		
	James J. Sebra	20,706(2)	