

Power REIT
Form DEF 14A
April 19, 2019

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 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to Rule 14a-12

Power REIT

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

301 Winding Road

Old Bethpage, NY 11804

212-750-0371

www.pwreit.com

April 26, 2019

Dear fellow shareholder:

Attached please find the materials related to the Power REIT 2019 Annual Meeting.

As described in our investor presentation, our shares trade at a significant discount to the underlying value of our assets which should represent an attractive risk adjusted opportunity for investment. Power REIT continues to explore opportunities to invest capital on a disciplined basis that is focused on our goal of creating long-term shareholder value. Currently the market for utility scale solar ground leases does not appear attractive for investment given the efficiency of capital in the solar sector. Accordingly, Power REIT is currently evaluating a new area of focus for investment. We hope to report more details in the near future. We believe that as we roll out our new focus and complete some acquisitions, that our share price should improve.

We appreciate your continued support for Power REIT and look forward to a productive future as we move forward with our business plan.

Very truly yours,

/s/ David H. Lesser

David H. Lesser

Chairman of the Board of Trustees

Power REIT

301 Winding Road

Old Bethpage, NY 11804

NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS

Wednesday, May 15, 2019, 9:00 AM (local time)

The 2019 annual meeting of holders (“shareholders”) of shares of beneficial interest, \$0.001 par value (“common shares” or “common stock”) of Power REIT (the “Company” or the “Trust”) will be held on Wednesday, May 15, 2019 at 9:00 AM (local time) WeWork Bryant Park – 54 West 40th Street, New York, NY 10018. The items of business are:

- (1) to elect five trustees to the Trust’s Board of Trustees, to serve until the next annual meeting of shareholders and until the successors to such trustees have been duly elected and qualified;
- (2) to ratify the appointment of MaloneBailey, LLP as the Trust’s independent registered public accounting firm; and
- (3) to transact such other business as may properly come before the meeting.

These items are more fully described in the accompanying proxy statement. The Trust’s annual report on Form 10-K for the year ended December 31, 2018, which includes the Trust’s consolidated financial statements as of and for the year ended December 31, 2018, is being mailed with these materials.

The Board of Trustees has fixed the close of business on April 8, 2019 as the record date for the determination of shareholders entitled to notice of and to vote at the 2019 annual meeting and any adjournments thereof. Shareholders of record can vote their common shares by using the Internet or telephone. Instructions for using these convenient services are set forth in the enclosed materials. You also may vote your common shares by marking your votes on the enclosed white proxy card, signing and dating it and mailing it in the enclosed envelope.

Your vote is important. Please vote by using the Internet or telephone, or by marking, signing, dating and returning the enclosed white proxy card.

By order of the Board of Trustees

/s/ David H. Lesser

David H. Lesser

Secretary

March 29, 2019

IMPORTANT NOTICE CONCERNING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDERS MEETING TO BE HELD ON May 15, 2019:

The Trust's proxy materials and annual report on Form 10-K for the year ended December 31, 2018

are available at www.proxyvote.com.

Power REIT

301 Winding Road

Old Bethpage, NY 11804

PROXY STATEMENT

2019 ANNUAL MEETING OF SHAREHOLDERS

This proxy statement is being furnished in connection with the solicitation of proxies by the Board of Trustees of Power REIT (the “Company”, the “Trust”, “we” or “us”) to be used at the 2019 annual meeting of holders (“shareholders”) of shares of beneficial interest, \$0.001 par value (“common shares” or “common stock”) of the Trust, to be held on Wednesday, May 15, 2019 at 9:00 A.M. local time at WeWork Bryant Park – 54 West 40th Street, New York, NY 10018, and at any adjournments thereof. The items of business for the annual meeting are:

- (1) to elect five trustees to the Trust’s Board of Trustees, to serve until the next annual meeting of shareholders and until the successors to such trustees have been duly elected and qualified;
- (2) to ratify the appointment of MaloneBailey, LLP as the Trust’s independent registered public accounting firm; and
- (3) to transact such other business as may properly come before the meeting.

This proxy statement and the accompanying notice of annual meeting and form of proxy card are first being mailed to shareholders on or about April 19, 2019. Our annual report on Form 10-K for the year ended December 31, 2019, which includes our consolidated financial statements as of and for the year ended December 31, 2018, is being mailed with these materials.

The cost of this solicitation of proxies will be borne by the Trust. Solicitations may be made by mail, telephone, facsimile or electronic mail, and by officers of the Trust without extra compensation. The Trust will reimburse brokerage firms and other third parties for their reasonable and customary expenses in forwarding our proxy materials to beneficial owners of our common shares.

The Board of Trustees has fixed the close of business on April 8, 2019 as the record date (the “record date”) for the determination of shareholders entitled to notice of and to vote at the 2019 annual meeting and any adjournments

thereof. At the close of business on the record date, there were outstanding and entitled to vote 1,870,139 of our common shares (including unvested, restricted common shares granted pursuant to the Trust's 2012 Equity Incentive Plan (the "Plan") and other stock grants, which pursuant to the terms of the grants carry voting privileges).

Quorum, Voting Power, Effect of Abstentions, Required Votes

At the annual meeting, the presence, in person or by proxy, of shareholders entitled to cast thirty three and one third percent (33 1/3%) of all the votes entitled to be cast at the meeting shall constitute a quorum. Each outstanding common share shall be entitled to one vote on each matter submitted to a vote. A vote by a majority of the common shares both present, in person or by proxy, and casting a vote shall decide a particular matter. For purposes of the foregoing, abstentions and non-votes shall not be deemed to be votes cast, although they shall be counted for purposes of determining the existence of a quorum.

The nominees for the Board of Trustees that receive the highest number of affirmative votes cast, up to the number of nominee slots to be filled, shall be elected as trustees. The ratification of the appointment of MaloneBailey, LLP requires the affirmative vote of the majority of votes cast.

Voting Procedures

If you hold our common shares in your own name, as a “holder of record” or “registered” holder, you may vote your shares by appointing proxies to vote on your behalf pursuant to your instructions, through any of the following methods:

using the Internet, log on to www.proxyvote.com and follow the instructions;

using any touch-tone telephone, dial 1-800-690-6903 and follow the instructions; or

marking, signing, dating, and returning the white proxy card in the postage-paid mailing envelope provided.

If you are a holder of record or registered shareholder and do not appoint and instruct proxies by voting over the Internet, by telephone or by marking, signing, dating and returning the white proxy card, then you must attend the meeting in person in order to vote.

If you do not hold our common shares in your own name, but instead hold your interest in our shares through one or more intermediaries, such as a bank or broker (in many cases referred to as owning shares “in street name”), then you are considered a holder of a beneficial interest in our common shares, or a “beneficial owner”, and you will be able to vote the shares in which you hold your interest through those intermediaries. An intermediary will forward our proxy materials to you and request your instructions as to how to vote the shares.

Broker Non-Votes, Routine and Non-Routine Matters

If you hold common shares through a bank or broker, the voting of the shares by the bank or broker when you do not provide voting instructions is governed by the rules of the NYSE American. These rules allow banks and brokers to vote such shares in their discretion on “routine” matters. On matters considered “non-routine,” banks and brokers may not vote without your instructions. Shares that banks and brokers are not authorized to vote are referred to as “broker non-votes.”

The ratification of MaloneBailey, LLP as the Trust’s independent registered public accounting firm is considered a routine matter, so banks and brokers may vote your shares in regard to this proposal without your instructions.

Accordingly, if you are a beneficial owner and wish to have your vote on this proposal counted in a particular way, either “for”, “against”, or as an abstention, then you must provide your voting instructions by Internet, telephone or white proxy card. If you do not, your bank or broker may vote your shares in their discretion.

The election of trustees is considered a non-routine matter, and therefore banks and brokers may not vote on your behalf in the election of trustees without your instructions. Please note that if you want your votes in the election of trustees to be counted, you must instruct your bank or broker how to vote your shares. If you do not provide voting instructions, no votes will be cast on your behalf in the election of trustees.

Note that, at the annual meeting, abstentions and non-votes shall not be deemed to be votes cast, although they shall be counted for purposes of determining the existence of a quorum.

Revocability of Proxies

A proxy may be revoked at any time prior to the voting thereof, by giving notice to the Secretary of the Trust in writing c/o Power REIT, 301 Winding Road, Old Bethpage, NY 11804, or in open meeting.

Cumulative Voting

Shareholders of the Trust are not entitled to exercise cumulative voting rights in the election of trustees.

Notice of Electronic Availability of Proxy Materials

As permitted by rules of the Securities and Exchange Commission (the "SEC"), these proxy materials and our annual report on Form 10-K for the year ended December 31, 2018 are being made available to our shareholders online, and are accessible through www.proxyvote.com.

Trustees' Voting Recommendations

The Board of Trustees recommends that you vote your common shares FOR each of the Board's five nominees that are standing for election to the Board of Trustees (Proposal No. 1) and FOR the ratification of MaloneBailey, LLP as our independent registered public accounting firm (Proposal No. 2).

Proposal 1: Election of Trustees

Our Board of Trustees is currently comprised of five trustees, four of whom are independent under the rules of the NYSE American and under applicable rules of the SEC: Virgil E. Wenger, William S. Susman and Patrick R. Haynes, III. Our fifth trustee, David H. Lesser, is a principal shareholder of the Company and serves as Chairman of the Board of Trustees.

Five of the nominees for election to the Board of Trustees currently serve as trustees of the Company. The Board recommends to shareholders that they vote for all five of the nominees. If elected, the nominees would serve as trustees for a one-year term until the 2020 annual meeting of shareholders and until their successors are duly elected and qualified.

The nominees are:

Name	Age	Trustee Since	Company Position
David H. Lesser	53	2009*	Chairman of Board of Trustees Chief Executive Officer, Secretary, Treasurer Trustee
Virgil E. Wenger	88	1991*	Chairman of Audit Committee Member of Nominating Committee Trustee
William S. Susman	55	2010*	Chairman of Compensation Committee Member of Nominating Committee Trustee
Patrick R. Haynes, III	35	2011*	Chairman of Nominating Committee Member of Audit Committee Trustee
Justinian R. Hobor	36	2017	Member of Audit Committee Trustee

* The nominees have been trustees of Power REIT since December 2011 and are and have been trustees of Pittsburgh & West Virginia Railroad, a wholly owned subsidiary of Power REIT, since the dates listed in the table above.

The following are summaries of our nominees' biographies and experience:

David H. Lesser has over 30 years of experience in real estate, including substantial experience creating shareholder value in REITs. Mr. Lesser is currently, and has been for more than the past 15 years, President of Hudson Bay Partners, LP ("HBP"), an investment firm focused on real estate, real estate-related situations and alternative energy. Since October 2013, Mr. Lesser has served as Chairman and CEO of Millennium Investment and Acquisition Company (ticker: SMCG). Mr. Lesser is co-founder and CEO of IntelliStay Hospitality Management, LLC which is sponsoring investments in hotels. Mr. Lesser has previously held leadership roles with public REITs, having served as a Senior Vice President of Crescent Real Estate Equities and as a Director of Keystone Property Trust. Prior to his time at Crescent, Mr. Lesser was a Director of Investment Banking at Merrill Lynch & Co. within the real estate finance group.

Since 1995, Mr. Lesser has, through HBP, invested in numerous real estate and alternative energy transactions, including a reverse merger transaction in 1997 that led to the formation of Keystone Property Trust (NYSE: KTR) (“Keystone”). Mr. Lesser, as president of HBP, led an investor group and structured a reverse merger transaction with American Real Estate Investment Corporation (AMEX: REA) to ultimately form Keystone. The transaction involved an investment of \$30 million of cash, the merger of a property management company and the acquisition of a family-owned portfolio of industrial properties for ownership in the REIT. In addition to initial structuring and equity investment by HBP, Mr. Lesser served on Keystone’s board of trustees until June 2000. Keystone was acquired by Prologis (NYSE: PLD) in 2004 for a total enterprise value of \$1.4 billion, delivering a compound annual shareholder return of 16.5% from the initial transaction.

HBP currently owns Intelligen Power Systems, LLC (“IPS”) which is an alternative energy business focused on the manufacturing of cogeneration equipment and the development of distributed energy related to cogeneration, wind, solar and biofuel. HBP acquired IPS through the bankruptcy reorganization of California-based Coast Intelligen (“Coast”), which was acquired as a portfolio company by an affiliate of Mr. Lesser’s in 2001. As a consequence of misdeeds by Coast’s former owners and management team, which did not involve Mr. Lesser, Coast was reorganized through a Chapter 11 bankruptcy filing, the ultimate result of which was (i) Coast winding down its operations; and (ii) IPS, which was a subsidiary of Coast, successfully emerging from the reorganization. IPS continues to operate today with a refocused business plan providing cogeneration and other energy solutions to owners of real estate properties.

Mr. Lesser holds an M.B.A. from Cornell University and a B.S. in Applied Management and Economics from Cornell University.

Mr. Lesser has been Chairman of Power REIT’s Board of Trustees, our Chief Executive Officer since December 2011 and our Secretary and Treasurer since February 2014. Mr. Lesser has been a trustee of Pittsburgh & West Virginia Railroad, a wholly owned subsidiary of Power REIT (“P&WV”), from 2009 to the present, Chairman of P&WV’s Board of Trustees from December 2010 to the present and CEO of P&WV from February 2011 to the present.

We believe that Mr. Lesser’s years of experience as a real estate investor, as a board director and in creating shareholder value for other REITs provide significant benefits to the Company.

Virgil E. Wenger, CPA, is currently, and has for the past eight years been, an independent consultant who primarily works with new startup ventures that need accounting services and financial planning assistance to determine investment and working capital needs. He also serves as chief financial officer for two private companies: Shareholder Intelligence Services, a provider of information to publicly traded client companies concerning shareholder ownership, broker activity and related analytics; and Econergy Corporation, a manufacturer and marketer of proprietary air conditioning systems. Mr. Wenger was previously a partner at Ernst & Young LLP for over 25 years. He is a graduate of the University of Kansas, with a B.S. in Business Administration, and of the Harvard Business

School Advanced Management Program.

Mr. Wenger has been a trustee and Power REIT's Audit Committee Chairman since December 2011 and has been a member of the Nominating Committee since August 2012. Mr. Wenger has been a trustee of P&WV from 1991 to the present and was P&WV's Audit Committee Chairman from 2005 to December 2011.

We believe that Mr. Wenger's many years of experience at Ernst & Young LLP, significant financial expertise and leadership as Chairman of the Audit Committee provide significant benefits to the Company.

William S. Susman has over 25 years of investment banking experience, including significant experience in the transportation and railroad industry. As the former head of Merrill Lynch's Transportation and Consumer Group, Mr. Susman advised numerous railroad clients, including Burlington Northern, CSX, Kansas City Southern, Norfolk Southern Railways, TMM and Union Pacific. Mr. Susman is currently founder and CEO of a boutique investment advisory firm, Threadstone Advisors. Prior to founding Threadstone Advisors, he was President of Financo, an investment bank focused on retail and consumer goods, where he worked from 2004-2011. Mr. Susman began his investment banking career at Salomon Brothers, in their transportation group. Mr. Susman sits on the boards of two private companies: Preferred Fragrances and Jonathan Adler Enterprises. Mr. Susman is a graduate of the University of Michigan, with a B.S. in Business Administration and a Masters from the Kellogg Graduate School of Management at Northwestern University.

Mr. Susman has been a trustee and Power REIT's Compensation Committee Chairman since December 2011 and has been a member of the Nominating Committee since August 2012. Mr. Susman has been a trustee of P&WV from May 2011 to the present and was P&WV's Compensation Committee Chairperson from August 2011 to December 2011.

We believe that Mr. Susman's understanding of business, finance and the railroad industry, acquired through over 20 years of investment banking experience, and his leadership as Chairman of the Compensation Committee and in regard to governance matters, provide significant benefits to the Company.

Patrick R. Haynes, III is co-founder and President of IntelliStay Hospitality Management, LLC which is sponsoring investments in hotels. Mr. Haynes was previously employed by Alliance Partners HSP ("Alliance"), an opportunistic real estate investment venture backed by the family offices of Jay Shidler and Clay Hamlin and based in Philadelphia, PA. Mr. Haynes opened the New York City office for Alliance in 2014 and ran all opportunistic acquisitions for greater New York City Area. Prior to joining Alliance in 2013, Mr. Haynes had founded his own real estate investment business in Washington, D.C and Mr. Haynes worked for the Rockefeller Group Investment Management Corp. ("RGIM") from 2010 to 2012. At RGIM he was responsible for the financial analysis for RGIM's corporate acquisitions and direct real estate investments and supported institutional fundraising and business development. Mr. Haynes began his career at Lehman Brothers in the Real Estate Private Equity Group where he performed financial analysis, market research and due diligence for over \$2.0 billion in potential real estate acquisitions across all asset classes nationally. Mr. Haynes also worked on the successful management buyout of Lehman's equity funds' advisory business, responsible for the management of approximately \$18 billion in real estate assets globally. Mr. Haynes remained with the go forward venture created by the fund's management, Silverpeak Real Estate Partners, until joining RGIM. Mr. Haynes received a BA in U.S. History from Brown University

Mr. Haynes has been a trustee and a member of Power REIT's Audit and Compensation Committees since December 2011 and Chairman of the Power REIT's Nominating Committee since August 2012. Mr. Haynes has been a trustee of P&WV from May 2011 to the present and was a member of P&WV's Compensation Committee from August 2011 to December 2011 and a member of P&WV's Audit Committee from 2010 to December 2011.

We believe that Mr. Haynes' experience and contacts in real estate and his experience in transaction structuring and private equity provide significant benefits to the Company.

Justinian R. Hobor has served as a portfolio manager for Elk Lake, LLC since July 2017. Prior to his current position, Mr. Hobor was an investment advisor with Caldwell Securities, Inc. In addition, he co-founded in 2008 and serves as a managing member of Roundwood Capital, LLC, an investment partnership. Mr. Hobor's focus is on small, illiquid companies going through atypical situations such as litigation, going-private transitions, and liquidations. Previously he worked at Capital Counsel, LLC, and at Northern Trust. Mr. Hobor is a graduate from Chicago-Kent where he received a Juris Doctor degree and from Shimer College where he received a B.A. in Social Sciences.

We believe that Mr. Hobor's experience as an investor, his legal education as well as his ownership of stock in the Company provide significant benefits to the Company.

In summary, the nominees have experience and skills in, and industry contacts relevant to, providing leadership to REITs, sourcing and structuring investments and raising and investing capital. The Trust believes these skills, relevant work experiences and contacts will significantly benefit shareholders as the Trust implements its business plan.

Trustee Compensation

In August 2012, pursuant to the Plan, each independent trustee was granted an option to acquire 2,000 of our shares at an exercise price of \$7.96. The options vested in three equal installments over three years. In May 2013, pursuant to the Plan, each Trustee was granted 400 shares of restricted common stock vesting quarterly in equal installments commencing with the second quarter of 2013. In June 2014, pursuant to the Plan, each independent Trustee was granted 500 shares of restricted common stock vesting quarterly in equal installments commencing with the second quarter of 2014. In September 2015, pursuant to the Plan, each independent Trustee was granted 500 shares of restricted common stock vesting of which 75% vested during 2015 and 25% vested during the first quarter of 2016. In May 2016, each independent Trustee who served a full year was granted 600 shares of restricted common stock of which 75% vested during 2016 and 25% vested during the first quarter of 2017 and Justinian Hobor who served for approximately three quarters of the year was granted 450 shares with two thirds vesting during 2016 and one third vesting during the first quarter of 2017. In 2017, each independent Trustee was granted 600 shares of restricted common stock of which 75% vested during 2017 and 25% vested during the first quarter of 2018. In 2018, each independent Trustee was granted 700 shares of restricted common stock of which 75% vested during 2017 and 25% vested during the first quarter of 2019. Other than the option grants and the restricted stock grants, there are currently no other compensation arrangements with any of the independent trustees. Compensation of our independent trustees for the fiscal year ending December 31, 2019, is listed in the table below. The Trust has a policy to reimburse reasonable expenses of Trustees. During 2019 there were no such reimbursements.

Trustee Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity			Total
				Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation	
Wenger, Susman, Haynes, Hobor	\$ -	\$ 4,221	\$ -	\$ -	\$ -	\$ -	\$ 4,221

The compensation provided to Mr. Lesser, the Chairman of the Board of Trustees and also an officer of the Trust, is detailed in the table under “Executive Officer – Executive Officer Compensation”, below.

**THE BOARD OF TRUSTEES RECOMMENDS THAT YOU VOTE FOR THE
ELECTION OF EACH OF THE FOUR NOMINEES AS TRUSTEES OF THE TRUST**

ADDITIONAL DISCLOSURE RELATING TO OUR TRUSTEES, EXECUTIVE OFFICER AND CORPORATE GOVERNANCE

Corporate Governance

Overview

In accordance with our Declaration of Trust and Bylaws, our Board of Trustees elects the Chairman of the Board and our executive officers, and each of these positions may be held by the same or separate persons. Our corporate governance guidelines do not include a policy on whether the role of the Chairman and Chief Executive Officer should be separate or, if not, whether a lead independent trustee is to be elected. From February 2011, Mr. Lesser, the Chairman of our Board of Trustees, has also served as our Chief Executive Officer. We believe that this arrangement is suitable for a company of our size. The Board of Trustees shall review the need for any changes to these arrangements from time to time in light of the Trust's changing business needs.

Board of Trustees

Our Board of Trustees takes an active role in overseeing the management of our risks. The Board regularly reviews information regarding our liquidity, operations and investment activities, as well as the risks associated with each. The Board is responsible for overseeing the implementation of our investment strategy, the principal goal of which is to enhance long-term shareholder value through increases in earnings, cash flow and net asset value. Currently, each investment transaction is approved by the Board. In the future, the Board may establish an investment committee consisting of trustees to oversee our investment activities, including the review and approval of specific transactions.

The Board held two scheduled meetings during 2018. On five other occasions during the year, the tru