MACERICH CO
Form 11-K
June 28, 2010


# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# FORM 11-K

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

| | |
|---|---|
| **x** | **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** |
| | **For the fiscal year ended December 31, 2009** |

**OR**

| | |
|---|---|
| **o** | **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** |
| | **For the transition period from to** |

**Commission file number**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below: **The Macerich Property Management Company 401(k) Profit Sharing Plan**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

# The Macerich Company

**401 Wilshire Boulevard, Suite 700**
**Santa Monica, California 90401**

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**REQUIRED INFORMATION**

The Macerich Property Management Company 401(k) Profit Sharing Plan (the Plan ) is subject to the Employee Retirement Income Security Act of 1974 ( ERISA ). Therefore, in lieu of the requirements of Items 1-3 of Form 11-K, the financial statements and schedules of the Plan for the fiscal year ended December 31, 2009, which have been prepared in accordance with the financial reporting requirements of ERISA, are filed herewith and incorporated herein by this reference.

The written consent of Windes & McClaughry, Accountancy Corporation with respect to the annual financial statements of the Plan is filed as Exhibit 23.1 to this Annual Report.

**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf on this 28th day of June 2010, by the undersigned hereunto duly authorized.

THE MACERICH PROPERTY MANAGEMENT
COMPANY 401(K) PROFIT SHARING PLAN

By: /s/ Stephen L. Spector, Trustee
Stephen L. Spector, Trustee

By: /s/ Scott W. Kingsmore, Trustee
Scott W. Kingsmore, Trustee

By: /s/ Stephanie Corcoran, Trustee
Stephanie Corcoran, Trustee

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**EXHIBIT INDEX**

(a) Exhibits

| Number | Description |
|---|---|
| 23.1 | Consent of Independent Registered Public Accounting Firm, Windes & McClaughry Accountancy Corporation |
| 32 | Section 906 Certification of Scott W. Kingsmore, Chief Executive Officer and Stephanie P. Corcoran, Chief Financial Officer of the Plan |

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**THE MACERICH**

**PROPERTY MANAGEMENT COMPANY**

**401(k) PROFIT SHARING PLAN**

***FINANCIAL STATEMENTS***

**DECEMBER 31, 2009**

**WITH**

**INDEPENDENT AUDITORS REPORT**

**AND SUPPLEMENTARY INFORMATION**

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## INDEX TO FINANCIAL STATEMENTS

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Report of Independent Registered

Public Accounting Firm

To the Administrative Committee of

The Macerich Property Management Company 401(k) Profit Sharing Plan:

We have audited the accompanying statements of net assets available for benefits of The Macerich Property Management Company 401(k) Profit Sharing Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Macerich Property Management Company 401(k) Profit Sharing Plan as of December 31, 2009 and 2008, and the changes in its net assets available for benefits for the year ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at year end) is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplementary information is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Windes & McClaughry Accountancy Corporation

Long Beach, California

June 28, 2010

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**THE MACERICH PROPERTY MANAGEMENT COMPANY**

**401(k) PROFIT SHARING PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

**DECEMBER 31, 2009 AND 2008**

**ASSETS**

| | December 31, 2009 | | December 31, 2008 | |
|---|---|---|---|---|
| **INVESTMENTS**, at fair value | | | | |
| Registered Investment Companies | $ | 55,358,341 | $ | 39,993,379 |
| Common/Collective Trust | | 5,890,547 | | 4,730,742 |
| Macerich Company Common Stock Fund | | 3,657,283 | | 1,387,746 |
| Participant Loans | | 1,749,443 | | 9,986 |
| | | 66,655,614 | | 46,121,853 |
| **RECEIVABLES** | | | | |
| Employer Contribution | | 273,466 | | 195,776 |
| Total Assets | $ | 66,929,080 | $ | 46,317,629 |
| **NET ASSETS REFLECTING INVESTMENTS,** at fair value | $ | 66,929,080 | $ | 46,317,629 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contract | | 312,563 | | 389,808 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ | 67,241,643 | $ | 46,707,437 |

The accompanying notes are an integral part of these financial statements.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY**

**401(k) PROFIT SHARING PLAN**

**STATEMENT OF CHANGES IN NET ASSETS**

**AVAILABLE FOR BENEFITS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

| | | |
|---|---|---|
| **ADDITIONS TO NET ASSETS ATTRIBUTED TO:** | | |
| Employer contribution | $ | 3,244,401 |
| Contributions: | | |
| Participants | | 5,887,190 |
| Rollover | | 769,203 |
| Investment income: | | |
| Dividend and interest income | | 1,303,981 |
| Net appreciation in fair value of investments | | 12,576,189 |
| Total Additions | | 23,780,964 |
| | | |
| **DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:** | | |
| Benefits paid to participants | | 3,208,321 |
| Other expenses | | 38,437 |
| Total Deductions | | 3,246,758 |
| | | |
| **NET INCREASE IN PLAN NET ASSETS** | | 20,534,206 |
| | | |
| **NET ASSETS AVAILABLE FOR PLAN BENEFITS:** | | |
| | | |
| **BEGINNING OF YEAR** | | 46,707,437 |
| | | |
| **END OF YEAR** | $ | 67,241,643 |

The accompanying notes are an integral part of these financial statements.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY**

**401(k) PROFIT SHARING PLAN**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2009 AND 2008**

**NOTE 1: DESCRIPTION OF PLAN**

The following description of The Macerich Property Management Company 401(k) Profit Sharing Plan (the Plan ) provides only general information. Participants and other interested parties should refer to the Plan document for a more complete description of the Plan s provisions.

***General***

The Plan is a defined contribution pension plan covering eligible employees of The Macerich Property Management Company LLC and participating affiliates (the Company, the Employer and the Plan Administrator ) as defined in the Plan document. The Plan is subject to regulation under the Employee Retirement Income Security Act of 1974 ( ERISA ) and the qualification provisions of the Internal Revenue Code (the Code ).

Effective as of January 1, 2004, the Plan adopted the Safe Harbor provisions under Sections 401(k)(12) and 401(m)(11) of the Code. In accordance with adopting these provisions, the Company makes matching contributions equal to 100 percent of the first 3 percent of compensation deferred by a participant and 50 percent of the next 2 percent of compensation deferred by a participant.

Effective as of January 1, 2008, the Plan was amended to: (i) permit non-spouse beneficiaries to rollover their portion of a death benefit to which they are entitled to an individual retirement account described in Section 408(a) or (b) of the Code; (ii) to eliminate installment payments as an option for the distribution of benefits; (iii) to perform annual true-up calculations on the Safe Harbor Match Contributions; and (iv) to provide that distributions made upon the attainment of age 59 ½ may be made from the Participant s Compensation Deferral Accounts, Employer Profit Sharing Contributions Accounts, Safe Harbor Matching Accounts, and Rollover Accounts.

Effective as of January 1, 2009, the Plan permits Qualified Reservist Distributions. A Qualified Reservist Distribution is any distribution to an individual who is ordered or called to active duty after September 11, 2001. Effective as of January 1, 2009, a participant that has attained age 70 ½ may elect to have minimum distributions suspended for the 2009 calendar year.

***Administration***

The Company has designated an Administrative Committee (the Committee and the Trustees ), consisting of Stephen L. Spector, SVP General Counsel, Scott W. Kingsmore, SVP Finance, and Stephanie Corcoran, VP Group Controller. Among other duties, it is the responsibility of the Committee to select and monitor the performance of investments, the Plan custodian, and to maintain certain administrative records.

***Employee Participation and Eligibility***

All employees of the Company may become eligible to participate in the Plan, provided the employee is twenty-one years of age, has completed one year of employment during which at least 1,000 hours of service were provided, and is not covered by a collective bargaining agreement as to which retirement benefits were the subject of good faith bargaining. An eligible employee may enter the Plan on the January 1, April 1, July 1 or October 1, following his or her satisfaction of the eligibility requirements.

The Plan gives employees of newly acquired entities credit for years of service earned prior to the Company s ownership. If this credit for prior service allows the acquisition employee to meet Plan eligibility requirements, they are granted the option of entering the Plan on the first day of the month following their date of hire.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY**

**401(k) PROFIT SHARING PLAN**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2009 AND 2008**

**(CONTINUED)**

## NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

### *Contributions*

Participants are permitted to defer up to 50% of their compensation, as defined in the Plan. The Company provides matching contributions, under the Safe Harbor arrangement described above, equal to 100 percent of the first 3 percent of compensation deferred by a participant and 50 percent of the next 2 percent of compensation deferred by a participant. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may roll over amounts representing distributions from other qualified defined benefit or defined contributions plans. Participants direct the investment of their contributions into various investment options offered by the Plan, as further discussed in Note 3.

### *Participant Accounts*

Each participant s account is credited with the participant s contribution and allocations of a) the Company s Safe Harbor matching contribution, and b) Plan earnings, and charged with any withdrawals or distributions requested by the participant, investment losses, and an allocation of administrative expenses, if applicable. Allocations are based on participant compensation or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

### *Vesting Provisions*

Participant accounts, including salary deferrals and Safe Harbor matching contributions, are 100 percent vested at all times.

### *Participant Loans*

On December 30, 2008, the Plan was amended to allow for participant loans. Active participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of their vested account balances, whichever is less. The loans are secured by the balance in the participant s vested account and bear interest at the prime rate plus one percent, as defined by the Plan document. All loans issued during 2009 bear interest at a rate of 4.25%. Principal and interest are paid ratably through payroll deductions over a term not to exceed 5 years. A participant applying for a loan through the Plan will be charged a $50 loan application fee. The loan application fee is nonrefundable and will be used to offset the administrative expenses associated with the loan. The fee will be deducted from the participant s Plan account at the time his or her loan request is processed. In addition, the participant s account will be charged a yearly fee of $50 which is charged quarterly if a participant has an outstanding balance. The Plan has loans outstanding of $1,749,443 at December 31, 2009.

***Benefit Payments***

Effective as of January 1, 2008, on termination of service due to death, disability, retirement, or other reasons a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

The Plan also permits distributions for hardships, as defined in the Plan document.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY**

**401(k) PROFIT SHARING PLAN**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2009 AND 2008**

**(CONTINUED)**

**NOTE 1: DESCRIPTION OF PLAN (CONTINUED)**

***Forfeitures***

As of January 1, 2004, the Plan was amended to eliminate employer profit sharing contributions. Prior to January 2004, the Company made discretionary profit sharing contributions from the net profits of the current year. Profit sharing contributions were subject to a vesting schedule. Any participant who terminates employment with the Company will forfeit the non-vested portion of his/her profit sharing account.

At December 31, 2009 and 2008, forfeited non-vested accounts totaled approximately $3,000 and $1,000, respectively. Effective as of January 1, 2007, the Plan was amended to provide that forfeitures in the Plan shall be used to reduce the Company s Safe Harbor Matching Contributions for the Plan Year following the Plan Year in which the forfeiture occurs. In 2009, the Company s Safe Harbor Matching Contributions were reduced by approximately $1,000 from forfeited non-vested accounts.

***Related-Party Transactions***

The Plan offers common stock in the Company, through the Macerich Company Common Stock Fund; therefore, the Company qualifies as a party-in-interest.

***Tax Status***

The Internal Revenue Service has determined and informed the Company by a letter dated June 10, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Code. During 2009, the Plan was amended and restated. In January 2010, to comply with current legal requirements, the amended and restated Plan document was timely submitted for a favorable determination letter. The IRS has acknowledged receipt of the document. Although the Plan has been amended since receiving the 2002 determination letter, the Plan Administrator and the Plan s tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements.

***Plan Expenses***

The compensation or fees of accountants, counsel and other specialists and any other costs of administering the Plan or the trust are paid by the Company. Administrative expenses that are not paid by the Company are paid by the Plan. Administrative expenses for the period ended December 31, 2009, were $38,437 and are in included in other expenses in the statement of changes in net assets available for Plan benefits.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The financial statements of the Plan are prepared on the accrual basis of accounting.

The Financial Accounting Standards Board ( FASB ) Accounting Standards Codification ( ASC ) 962 (formally known as FASB issued staff position No. AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans), requires investment contracts held by a defined-contribution plan to be reported at fair value.