

COHEN & STEERS TOTAL RETURN REALTY FUND INC
Form DEF 14A
March 18, 2003

Section 240.14a-101 Schedule 14A.
Information required in proxy statement.
Schedule 14A Information
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 []
- Check the appropriate box:
- [] 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 Section 240.14a-11(c) or Section 240.14a-12

COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

.....
(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):

- [X] 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:
.....

COHEN & STEERS TOTAL RETURN
REALTY FUND, INC.
757 THIRD AVENUE, NEW YORK, NEW YORK 10017
(212) 832-3232

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
APRIL 24, 2003

To the Stockholders of
COHEN & STEERS TOTAL RETURN REALTY FUND, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the 'Meeting') of Cohen & Steers Total Return Realty Fund, Inc. (the 'Fund') will be held at the offices of the Fund, 757 Third Avenue, 20th Floor, New York, New York 10017, on April 24, 2003 at 10:00 a.m., for the following purposes, all of which are more fully described in the accompanying Proxy Statement dated March 18, 2003:

1. To elect two Directors of the Fund, to hold office for a term of three years, and until their successors are duly elected and qualified;
2. To ratify the selection of PricewaterhouseCoopers LLP as independent certified public accountants of the Fund for its fiscal year ending December 31, 2003; and
3. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Directors have fixed the close of business on March 11, 2003 as the record date for the determination of stockholders entitled to notice of and to

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vote at the Meeting or any adjournment thereof. The enclosed proxy is being solicited on behalf of the Directors.

By order of the Board of Directors,

Robert H. Steers

ROBERT H. STEERS
Secretary

New York, New York
March 18, 2003

YOUR VOTE IS IMPORTANT

PLEASE INDICATE YOUR VOTING INSTRUCTIONS ON THE ENCLOSED PROXY CARD, SIGN AND DATE IT, AND RETURN IT IN THE ENVELOPE PROVIDED, WHICH NEEDS NO POSTAGE IF MAILED IN THE UNITED STATES. IN ORDER TO SAVE THE FUND ANY ADDITIONAL EXPENSE OF FURTHER SOLICITATION, PLEASE MAIL YOUR PROXY PROMPTLY.

PROXY STATEMENT

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757 Third Avenue
New York, New York
Age: 50

and Secretary

Capital Management, Inc., the
Fund's Investment Adviser.

* Member of the Audit Committee.

** 'Interested person,' as defined in the Investment Company Act of 1940, of the Fund because of the affiliation with Cohen & Steers Capital Management, Inc., the Fund's investment adviser.

'D' If elected at the Meeting.

Martin Cohen and Bonnie Cohen are unrelated.

During the Fund's fiscal year ended December 31, 2002, the Board of Directors met five times. All of such Directors attended all of the meetings of the Board of Directors, except Ms. Cohen and Mr. Steers, each of whom did not attend one meeting. The Fund maintains one standing Board Committee, the Audit Committee of the Board of Directors, which is composed of all the Directors who are not 'interested persons' of the Fund within the meaning of the Investment Company Act of 1940 (the 'Act'). The Audit Committee, which met twice during the fiscal year ended December 31, 2002, assists the Board of Directors in its oversight of the Fund's financial reporting process. The Audit Committee meets with the Fund's independent auditors to discuss the scope of the engagement, review the Fund's financial statements, and discuss the statements and audit results with management. The Audit Committee discussed with PricewaterhouseCoopers LLP the matters required to be discussed by the Statement on Auditing Standards 61, received the written disclosures and the letter from PricewaterhouseCoopers LLP required by the Independence Standards Board Standard No. 1, and discussed with PricewaterhouseCoopers LLP the independent auditor's independence. Based on these reviews and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements of the Fund be included in the Fund's annual report to stockholders.

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Directors of the Fund who are not interested persons of the Fund are paid an annual retainer of \$5,500 and a fee of \$500 for each regular meeting attended and are reimbursed for the expenses of attendance at such meetings and, for the fiscal year ended December 31, 2002, such fees and expenses paid by the Fund totaled \$40,270.

As of March 11, 2003, the Directors and officers of the Fund as a group owned less than 1% of the shares of the Fund.

The following table provides information concerning the dollar range of the Fund's equity securities owned by each Director and the aggregate dollar range of securities owned in the Cohen & Steers Fund Complex by each Director.

DOLLAR RANGE OF EQUITY

AGGREGATE DOLLAR RANGE OF EQUITY SECURITIES OWNED

the Securities Exchange Act of 1934 (the 'Exchange Act') and Section 30(h) of the Act, as applied to the Fund, require the Fund's officers, Directors and investment adviser, affiliates of the investment adviser, and persons who beneficially own more than 10% of a registered class of the Fund's outstanding securities ('Reporting Persons') to file reports of ownership of the Fund's securities and changes in such ownership with the Securities and Exchange Commission and the New York Stock Exchange. Such persons are required by Securities and Exchange Commission regulations to furnish the Fund with copies of all such filings.

Based upon its review of the copies of such forms received by it, the Fund believes that, during the fiscal year ended December 31, 2002, all filing requirements applicable to its Reporting Persons were met.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS OF THE FUND VOTE FOR THE ELECTION OF EACH NOMINEE TO SERVE AS A DIRECTOR OF THE FUND.

PROPOSAL TWO
RATIFICATION OF SELECTION OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors recommends that the stockholders of the Fund ratify the selection of PricewaterhouseCoopers LLP, independent certified public accountants, to audit the accounts of the Fund for the fiscal year ending December 31, 2003. Their selection was approved by the vote, cast in person, of a majority of the Directors of the Fund, including a majority of the Directors who are not 'interested persons' of the Fund within the meaning of the Act and who are 'independent' as defined in the New York Stock Exchange, Inc. listing standards, at a meeting held on March 6, 2003. PricewaterhouseCoopers LLP has audited the accounts of the Fund since prior to the Fund's commencement of business on September 24, 1993 and does not have any direct financial interest or any material indirect financial interest in the Fund. A representative of PricewaterhouseCoopers LLP is expected to be available for the Meeting and to have the opportunity to make a statement and respond to appropriate questions from the stockholders. The Audit Committee of the Board of Directors meets twice each year with representatives of PricewaterhouseCoopers LLP to discuss the scope of their engagement, and review the financial statements of the Fund and the results of their examination thereof.

FEEES PAID TO PRICEWATERHOUSECOOPERS LLP

AUDIT FEES. The Fund paid PricewaterhouseCoopers LLP \$35,000 to audit the Fund's financial statements for the fiscal year ended December 31, 2002.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES. There were no fees paid to PricewaterhouseCoopers LLP during the fiscal year ended December 31, 2002 by the Fund or Cohen & Steers Capital Management, Inc., or any affiliate that provided services to the Fund, for financial information systems design and implementation.

ALL OTHER FEES. The aggregate fees billed for all other non-audit services, including fees for tax-related services rendered to the Fund, and services related to reports filed by the Fund with certain rating agencies, and other services rendered to Cohen & Steers Capital Management, Inc. or any affiliate that provided services to the Fund, were \$18,250 for the fiscal year ended December 31, 2002.

The Audit Committee of the Fund's Board of Directors considered and concluded that the provision of these services is compatible with maintaining the independence of PricewaterhouseCoopers LLP.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS OF THE FUND VOTE FOR THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS OF THE FUND.

CERTAIN INFORMATION REGARDING THE ADVISER AND
THE ADMINISTRATOR

The Fund has retained Cohen & Steers Capital Management, Inc., a New York corporation with offices at 757 Third Avenue, New York, New York 10017, to serve as its investment adviser (the 'Adviser') under an investment advisory agreement dated September 17, 1993. Martin Cohen and Robert H. Steers are 'controlling persons' of the Adviser on the basis of their ownership of more than 10% of the Adviser's stock. Their address is 757 Third Avenue, New York, New York 10017. State Street Bank and Trust Company, with offices at 225 Franklin Street, Boston, Massachusetts 02110, serves as administrator to the Fund.

OFFICERS OF THE FUND

The principal officers of the Fund and their principal occupations during the past five years are set forth below. The address of each of the following persons is 757 Third Avenue, New York, New York 10017.

Robert H. Steers, Chairman and Secretary (see Proposal One, 'Election of Directors,' at page 3 for biographical information).

Martin Cohen, President and Treasurer (see Proposal One, 'Election of Directors,' at page 3 for biographical information).

Adam M. Derechin, Vice President and Assistant Treasurer, age 38, joined the Adviser in 1993 and has been a Senior Vice President since 1998 and prior to that was a Vice President since 1995.

Lawrence B. Stoller, Assistant Secretary, age 39, joined the Adviser in 1999 as Senior Vice President and General Counsel. For the five years prior to that time, he was Associate General Counsel at Neuberger Berman Management Inc. (1998-1999) and Assistant General Counsel of The Dreyfus Corporation (1995-1998).

SUBMISSION OF PROPOSALS FOR THE NEXT
ANNUAL MEETING OF STOCKHOLDERS

All proposals by stockholders of the Fund which are intended to be presented at the Fund's next Annual Meeting of Stockholders, to be held in 2004, must be received by the Fund (address to Cohen & Steers Total Return Realty Fund, Inc., 757 Third Avenue, New York, New York 10017) for inclusion in the Fund's proxy statement and proxy relating to that meeting no later than November 15, 2003. Any stockholder who desires to bring a proposal for consideration at the Fund's 2004 Annual Meeting of Stockholders without including such proposal in the Fund's proxy statement must deliver written notice thereof to the Secretary or Assistant Secretary of the Fund (address to Cohen & Steers Total Return Realty Fund, Inc., 757 Third Avenue, New York, New York 10017) during the 30 day period from December 24, 2003 to January 23, 2004.

OTHER MATTERS

Management does not know of any matters to be presented at the Meeting other than those mentioned in this Proxy Statement. If any of the persons listed above is unavailable for election as a Director, an event not now anticipated, or if any other matters properly come before the Meeting, the shares represented by proxies will be voted with respect thereto in accordance with the best judgment of the person or persons voting the proxies.

VOTES REQUIRED

The presence in person or by proxy of the holders of a majority of the Fund's outstanding shares is required to constitute a quorum at the Meeting. The election of the Directors, as set forth in Proposal 1, will require a vote of the holders of a plurality of the Fund's shares present at the Meeting. Ratification of the selection of the independent certified public accountants, as set forth in Proposal 2, will require a majority of the votes cast at the Meeting.

If the accompanying form of proxy is executed properly and returned, shares represented by it will be voted at the Meeting in accordance with the instructions on the proxy. However, if no instructions are specified, shares will be voted for the election of the Directors and for the other proposals.

By order of the Board of Directors,

Robert H. Steers

ROBERT H. STEERS
Secretary

March 18, 2003
New York, New York

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APPENDIX I

DETACH HERE IF YOU ARE RETURNING YOUR PROXY CARD BY MAIL ZCOTR1

COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

757 Third Avenue
New York, New York 10017

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

Revoking any such prior appointments, the undersigned appoints Jay J. Chen and Lawrence B. Stoller (or, if only one shall act, then that one) proxies with the power of substitution to vote all the common stock of Cohen & Steers Total Return Realty Fund, Inc. (the "Fund") registered in the name of the undersigned at the Annual Meeting of Stockholders to be held at the offices of Cohen &

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Steers Capital Management, Inc., 757 Third Avenue, New York, New York 10017 on April 24, 2003 at 10:00 a.m., and at any adjournments thereof.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY IN THE ENCLOSED ENVELOPE.

Please sign exactly as your name(s) appear(s) on the books of the Fund. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer who should state his or her title.

HAS YOUR ADDRESS CHANGED?

DO YOU HAVE ANY COMMENTS?

COHEN & STEERS TOTAL RETURN REALTY FUND, INC. C/O EQUISERVE TRUST COMPANY, N.A. P.O. BOX 8694 EDISON, NJ 08818-8694

DETACH HERE IF YOU ARE RETURNING YOUR PROXY CARD BY MAIL

[X] Please mark votes as in this example.

COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

1. Election of Directors.

Nominees: (01) George Grossman, (02) Robert H. Steers

FOR ALL NOMINEES [] WITHHELD FROM ALL NOMINEES []

[]

For all nominee(s) except as written above

2. To ratify the selection of PricewaterhouseCoopers as independent Certified Public Accountants of the Fund for the fiscal year ending December 31, 2003.

3. To transact such other business as may come before the meeting.

The shares of common stock of the Fund represented by this Proxy will be voted in accordance with the specifications made at the meeting.

made, such shares will
all nominees for Dire

Mark box at right if
has been noted on the
card.

Please be sure to sig

Signature: _____

Date: _____

Signature: _____

STATEMENT OF DIFFERENCES

The dagger symbol shall be expressed as.....'D'