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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported):
August 3, 2011**

Paladin Realty Income Properties, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

000-51860
(Commission
File Number)

20-0378980
(IRS Employer
Identification No.)

10880 Wilshire Blvd., Suite 1400, Los Angeles, California 90024
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (310) 996-8704

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01. Entry in a Material Definitive Agreement

On August 3, 2011 the board of directors (the "Board") of Paladin Realty Income Properties, Inc. (the "Company") amended the Company's share redemption program (the "Amended SRP"). The Amended SRP will become effective 30 days after written notice of such amendment is provided to the Company's stockholders. The Amended SRP provides that in the event that any stockholder who has requested that such stockholder's shares be redeemed pursuant to the share redemption program and is participating in the program ceases to hold at least 50 shares of the Company's common stock, the Company may redeem all of the shares held by that stockholder at the redemption price in effect on the date that the Company determines that the stockholder no longer holds the minimum balance. Minimum account redemptions will be transacted solely at the discretion of the Company using funds set aside by the Board for that purpose, which will be in addition to the proceeds from the distribution reinvestment plan that otherwise fund redemptions under the program.

Item 8.01. Other Events

The Company intends to mail a letter to its stockholders regarding the Amended SRP along with its Form 10-Q for the quarterly period ended June 30, 2011. The full text of the letter is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 8.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Form of Paladin Realty Income Properties, Inc. Letter to Stockholders.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PALADIN REALTY INCOME
PROPERTIES, INC.

Date: August 9, 2011

By: /s/ John A. Gerson

John A. Gerson
Chief Financial Officer

EXHIBIT INDEX

99.1 Form of Paladin Realty Income Properties, Inc. Letter to Stockholders.



10880 Wilshire Boulevard, Suite 1400
Los Angeles, California 90024

August , 2011

**** IMPORTANT ****

To our Stockholders:

This letter hereby provides notice of an amendment to the terms of the share redemption program (the “SRP”) described in our prospectus dated April 29, 2010, as it has been amended and supplemented from time to time. The amendment will be effective 30 days following the date of this notice, or September , 2011.

In order to enhance the administrative efficiency of the SRP, our board of directors has approved an amendment to the SRP (the “Amended SRP”) to provide that in the event that any stockholder who has requested that such stockholder’s shares be redeemed pursuant to the SRP and is participating in the SRP ceases to hold at least 50 shares of our common stock (the “Minimum Participating Balance”), we may redeem all of the shares of our common stock held by that stockholder (a “Liquidating Redemption”) at the redemption price in effect on the date we determine that the stockholder no longer holds the Minimum Participating Balance. Liquidating Redemptions will be transacted solely at our discretion using funds that our board of directors has set aside for that purpose, which will be in addition to the proceeds from our distribution reinvestment plan that will otherwise fund redemptions under the Amended SRP.

Sincerely,

James R. Worms
President and Chief Executive Officer