

BEAZER HOMES USA INC
Form DEFA14A
March 02, 2010

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

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

Soliciting Material Pursuant to 14a-12

BEAZER HOMES USA, INC.

(Name of Registrant as Specified in Its Charter)

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(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.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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BEAZER HOMES USA, INC.
2010 Annual Shareholders
Meeting
Additional Information and Recommendations Related to
Shareholder Proposals

March 1, 2010

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Disclaimer

Important Information and Where to Find It

On February 25,

2010, Beazer Homes USA, Inc. filed with the Securities and Exchange

Commission (the SEC) a definitive Proxy Statement in connection with its 2010 Annual Meeting, and has mailed the Proxy Statement to its shareholders. **Investors** and shareholders are urged to read the Proxy Statement and any other relevant documents filed with the SEC (when available), because they contain important information.

Investors
and
shareholders

may
obtain

a
free
copy

of
the

Proxy

Statement and other documents that Beazer files with the SEC (when available) at the SEC's

website

at

www.sec.gov

and

Beazer's

website

for

the

Annual

Meeting

at

www.proxyvote.com. In addition, the Proxy Statement and other documents filed by

Beazer

with

the

SEC

(when

available)

may

be

obtained

from

Beazer

free

of

charge

by

directing a request to Beazer Homes USA, Inc., Attn: Investor Relations, 1000

Abernathy Road, Suite 1200, Atlanta, Georgia 30328.

Certain Information Concerning Participants

Beazer, and its directors and executive officers are participants in the solicitation of

Beazer's shareholders in connection with the 2010 Annual Meeting. Information regarding the names, affiliations and interests of such individuals is included in Beazer's Proxy Statement for the 2010 Annual Meeting.

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Overview

The Company's 2010 Proxy Statement contains four proposals which
require shareholder approval:

1.

The election of the seven nominees to our Board of Directors;

2.

The ratification of the selection of Deloitte & Touche LLP by the Audit Committee of our Board of Directors as our independent registered public accounting firm for the fiscal year ending September 30, 2010;

3.

The approval of an amendment to our Amended and Restated Certificate of Incorporation (referred to as our Charter) that would increase the total number of authorized shares of common stock from 80 million shares to 180 million shares; and

4.

The
approval
of
the
Beazer
Homes
USA,
Inc.
2010
Equity
Incentive
Plan

The Company's Board of Directors unanimously recommends shareholders approve all four Proposals.

For additional information on how to obtain a copy of the Proxy Statement, our Annual Report or how to vote, see page 10.

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Proposal 1: Election of Directors

Summary of Proposal

Shareholders must annually approve nominees to the Company's Board of Directors. Each

of the nominees for the Board of Directors is presently serving as a director and has been nominated

as
a
director
for
the
fiscal
year
ending
September
30,
2010
and
until
his
or
her

respective successor has been qualified and elected.

Nominees (*detailed information regarding each nominee is available in the Proxy Statement*)

Laurent Alpert

Brian C. Beazer

Peter G. Leemputte

Ian J. McCarthy

Norma A. Provencio

Larry T. Solari

Stephen P. Zelnak, Jr.

Board of Directors
Recommendation

Our
Board
of
Directors
recommends
a
vote
FOR
the
election

of
each
of
the
nominees.

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Proposal 2: Election of Auditors

Summary of Proposal

The Audit Committee of our Board of Directors has selected the firm of Deloitte & Touche

LLP, to serve as our independent registered public accounting firm for the fiscal year ending September 30, 2010.

Background Information

Deloitte & Touche has served as our accounting firm since our fiscal year ended September 30, 1996.

Our Audit Committee annually approves each year's engagement for audit services in advance.

Our
Audit
Committee
has
also
established
complementary
procedures
to
require
pre-approval of all permitted non-audit services provided by our independent auditors.

Board of Directors Recommendation

Our
Board
of
Directors
recommends
a
vote
FOR
ratification
of
the
appointment
of
Deloitte & Touche as our independent registered public accounting firm for the fiscal year ending September 30, 2010.

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Proposal 3: Increase In Authorized Shares

Summary of Proposal

Proposal 3 requests shareholder approval to amend the Company's Charter to increase the

number of authorized shares of common stock from 80 million to 180 million.

Background Information

The Company's Charter currently restricts the number of shares outstanding to 80 million shares.

An increase in the number of authorized shares requires shareholder approval of a Charter amendment;

The Company currently has approximately 79.5 million shares issued and reserved for issuance to satisfy convertible debt and previously issued employee equity grants;

Approximately 500,000 shares remain available for issuance, severely limiting the Company's ability to use equity or equity-linked instruments for compensation purposes or in connection with capital raising;

Although the Company has no current plans to utilize additional shares, other than in connection with the proposed 2010 Equity Incentive Plan (See Proposal 4), proceeds from the sale of additional common shares could be used to:

Reduce overall corporate indebtedness; and/or

Acquire assets or businesses which improve the earnings power of the Company;

A comparison with other homebuilding

companies
(please
see
following
page)
demonstrates
the requested additional authorized shares are in-line with industry norms.

Board of Directors
Recommendation

Our
Board
of
Directors
recommends
a
vote
FOR
the
proposed
Charter
amendment.

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3.2x

2.8x

2.3x

0.0x

0.9x

1.8x
2.7x
3.6x
Peer Group Mean
Peer Group Median
Beazer Homes -
If proposal approved

0.5
100.5
0
50
100
150
200

Beazer Homes
Beazer Homes -
If proposal approved
Peer Group Median
Peer Group Mean

The proposal compares favorably to our peer group.

Proposal 3: Peer Comparison of Authorized Shares

Ratio of Authorized Shares/

(Shares Outstanding + Shares Reserved)

Shares Available for Issuance

Company
Authorized
Shares

(1)
D.R. Horton, Inc.

1,000.0
Hovnanian Enterprises, Inc.

200.0
KB Home
290.0

Lennar Corporation
300.0

M.D.C. Holdings, Inc.
250.0

NVR, Inc.
60.0

Pulte Homes, Inc.
500.0

The Ryland Group, Inc.
200.0

Toll Brothers, Inc.
200.0

Peer Group Mean
333.3
Peer Group Median
250.0

Beazer Homes USA, Inc.

80.0

Beazer Homes USA, Inc. - If proposal approved

180.0

(1) For companies with dual class structures, represents only Class A shares.

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Proposal 4: 2010 Equity Incentive Plan

Summary of Proposal

Proposal 4 seeks shareholder approval of the Company's 2010 Equity Incentive Plan (the

2010 Plan) for employees and directors.

Background Information

The Company's 1999 Stock Incentive Plan expired in November 2009. As such, the Company does not have the ability to grant any equity awards as a part of any compensation program;

The Company believes equity is an integral component of a competitive compensation program;

The 2010 Plan would authorize a committee of independent directors to make a variety of common stock-based awards, including performance shares, restricted stock and stock options to plan participants, including employees, officers and directors;

The 2010 Plan would allow for grants not to exceed 6 million shares, unless further shareholder approval is obtained, over the ten-year life of the 2010 Plan, with a sub-limit on full value awards (e.g. restricted stock) of 3 million shares;

The 2010 Plan has been carefully designed to meet widely accepted corporate governance criteria and to incorporate shareholder friendly features (*please see following page for details*).

Board of Directors Recommendation

Our
Board
of
Directors

recommends
a
vote
FOR
approval
of
the
2010
Plan.

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Proposal 4: 2010 Equity Incentive Plan

The
2010
Plan

has
been
structured
to
meet
widely
accepted
corporate
governance standards:

The
Company's
dilution,
including
the
new
authorization
of
6
million
shares,
would
stand
at
only 11.5%.
(1)

The
Company's
three
year
average
burn
rate
is
just
1.6%.
(2)

The
2010
Plan
also
has
been
designed
to
incorporate
shareholder
friendly

features:

No cash awards available;

Minimum three year vesting for time based awards;

Minimum one year vesting for performance based awards;

Prohibitions on re-pricing, exchanging or repurchasing awards without shareholder approval;

No dividends on unvested performance awards; and

No material amendments without shareholder approval.

(1) We calculate dilution as the sum of (a) shares available under existing plans; (b) awards granted under existing plans but not yet granted; and (c) awards granted under the proposed plan divided by the Company's fully-diluted outstanding shares.

(2) We calculate burn rate using the gross number of equity awards granted in each year divided by the weighted average common shares outstanding at year-end.

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Proposal 4: 2010 Equity Incentive Plan

Although the Company has been able to recruit new management team members including a Chief Financial Officer, Chief Accounting Officer, Treasurer and General Counsel, its ability to provide competitive equity

compensation has been limited:

Equity grants to employees were suspended from mid 2007 to August 2009 when approximately 1.1 million shares were granted under the 1999 Stock Incentive Plan.

August
2009
equity
grants
to
management
were
significantly
below
market
and
peer
comparables.

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Additional Information

Additional questions can be addressed to the Company here:

Beazer Homes USA, Inc.,

Attn: Investor Relations
1000 Abernathy Road, Suite 1200
Atlanta, Georgia 30328

(770) 827-3700

Email:
ProxyQuestions@beazer.com

Or to the Company's Solicitation Agent here:

MORROW & CO., LLC
470 West Avenue
Stamford, Connecticut 06902

(800) 460-1014 (toll free)

Email:
bzh.info@morrowco.com

An electronic version of the Proxy Statement is available here:

www.proxyvote.com

The Shareholders
Meeting is scheduled for April 13, 2010. The Board of
Directors respectfully requests that shareholders vote. Shareholders may
vote here:

www.proxyvote.com

You will need the 12-digit Control Number included on your proxy card or voting
instruction form to access these materials.