

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:

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(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](http://www.sec.gov)

and  
Beazer's

website

for  
the  
Annual  
Meeting

at [www.proxyvote.com](http://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) shares being added 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](http://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](http://www.proxyvote.com)

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