

PULTE HOMES INC/MI/
Form DEF 14A
April 07, 2009

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 §240.14a-12

Pulte Homes, 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):

- No fee required.
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(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):

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(3) Filing Party:

(4) Date Filed:

PULTE HOMES, INC.

100 Bloomfield Hills Parkway, Suite 300

Bloomfield Hills, Michigan 48304

NOTICE OF 2009 ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

We will hold our annual meeting of shareholders at Auburn Hills Marriott Pontiac at Centerpoint, 3600 Centerpoint Parkway, Pontiac, Michigan, on Thursday, May 14, 2009, at 8:30 a.m., Eastern Time. At this meeting, shareholders will vote on:

The election of three directors to serve a term of three years.

The approval of an amendment to our Restated Articles of Incorporation to restrict certain transfers of Pulte common shares in order to preserve the tax treatment of the Company's net operating losses and other tax benefits.

The approval of an amendment to the Pulte Homes, Inc. 2004 Stock Incentive Plan to increase the number of Pulte common shares available under the plan and to amend the performance measures applicable to performance-based awards that may be granted under the plan.

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

Six shareholder proposals, if properly presented at the meeting.

Such other business as may properly come before the meeting.

You can vote if you were a shareholder of record at the close of business on March 17, 2009. You may vote by internet, telephone, written proxy or written ballot at the meeting.

This proxy statement and the enclosed form of proxy, as well as our 2008 annual report, are first being mailed to shareholders beginning on April 7, 2009. We encourage you to sign and return the accompanying proxy card in the enclosed envelope or instruct us via the internet or by telephone as to how you would like your shares voted.

By Order of the Board of Directors

STEVEN M. COOK

Senior Vice President, General Counsel

and Secretary

Bloomfield Hills, Michigan

April 7, 2009

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF
SHAREHOLDERS TO BE HELD ON MAY 14, 2009.**

The Company's Proxy Statement for the 2009 Annual Meeting of Shareholders and the Annual Report to Shareholders for the fiscal year ended December 31, 2008 are available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=77968&p=irol-sec>

PROXY STATEMENT

The Board of Directors is soliciting proxies to be used at the annual meeting of shareholders to be held on Thursday, May 14, 2009, beginning at 8:30 a.m., Eastern Time, at Auburn Hills Marriott Pontiac at Centerpoint, 3600 Centerpoint Parkway, Pontiac, Michigan. This proxy statement and the enclosed form of proxy are first being mailed to shareholders beginning April 7, 2009.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIAL AND THE ANNUAL MEETING:

What am I voting on?

You are voting on ten proposals:

1. The election of three nominees for director, Debra J. Kelly Ennis, Bernard W. Reznicek, and Richard G. Wolford, to serve a term of three years.
2. The approval of an amendment to our Restated Articles of Incorporation to restrict certain transfers of Pulte common shares in order to preserve the tax treatment of the Company's net operating losses and other tax benefits.
3. The approval of an amendment to the Pulte Homes, Inc. 2004 Stock Incentive Plan to increase the number of Pulte common shares available under the plan and to amend the performance measures applicable to performance-based awards that may be granted under the plan.
4. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.
5. A shareholder proposal requesting the election of directors by a majority, rather than plurality, vote, if properly presented at the meeting.
6. A shareholder proposal requesting the declassification of the Board of Directors, if properly presented at the meeting.
7. A shareholder proposal requesting an amendment to the Company's bylaws to require that the Chairman of the Board of Directors be an independent director, if properly presented at the meeting.
8. A shareholder proposal regarding the use of performance-based options, if properly presented at the meeting.
9. A shareholder proposal requesting annual advisory votes on executive compensation, if properly presented at the meeting.
10. A shareholder proposal requesting that the Compensation Committee review and report on the Company's compensation policies, if properly presented at the meeting.

What are the voting recommendations of the Board?

The Board recommends the following votes:

FOR the election of all of the nominees for director.

FOR the approval of an amendment to our Restated Articles of Incorporation to restrict certain transfers of Pulte common shares in order to preserve the tax treatment of the Company's net operating losses and other tax benefits.

FOR the approval of an amendment to the Pulte Homes, Inc. 2004 Stock Incentive Plan to increase the number of Pulte common shares available under the plan and to amend the performance measures applicable to performance-based awards that may be granted under the plan.

FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

AGAINST the shareholder proposal requesting the election of directors by a majority, rather than plurality, vote.

AGAINST the shareholder proposal requesting the declassification of the Board of Directors.

AGAINST the shareholder proposal requesting an amendment to the Company's bylaws to require that the Chairman of the Board of Directors be an independent director.

AGAINST the shareholder proposal regarding the use of performance-based options.

AGAINST the shareholder proposal requesting annual advisory votes on executive compensation.

AGAINST the shareholder proposal requesting that the Compensation Committee review and report on the Company's compensation policies.

Will any other matter be voted on?

We are not aware of any other matters on which you will be asked to vote at the meeting. If you have completed and mailed your proxy card and any other matter is properly brought before the meeting, William J. Pulte and Richard J. Dugas, Jr., acting as your proxies, will vote for you in their discretion.

How do I vote my shares?

If you are a shareholder of record as of the close of business on March 17, 2009 (the record date), you can give a proxy to be voted at the meeting either:

by mailing in the enclosed proxy card;

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by written ballot at the meeting;

over the telephone by calling a toll-free number; or

electronically, using the internet.

If you complete and mail in your proxy card, your shares will be voted as you indicate. If you do not indicate your voting preferences, William J. Pulte and Richard J. Dugas, Jr., acting as your proxies, will vote your shares FOR Items 1, 2, 3 and 4 and AGAINST Items 5, 6, 7, 8, 9 and 10.

The telephone and internet voting procedures have been set up for your convenience and have been designed to authenticate your identity, to allow you to give voting instructions and to confirm that those instructions have been recorded properly. If you are a shareholder of record and you would like to vote by telephone or by using the internet, please refer to the instructions on the enclosed proxy card.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker or nominee. Your broker or nominee has enclosed or provided a voting instruction card for you to use in directing the broker or nominee on how to vote your shares.

What is the difference between a shareholder of record and a street name holder?

If your shares are registered directly in your name with Computershare Trust Company, N.A. (Computershare), the Company's stock transfer agent, you are considered the shareholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of these shares, and your shares are held in street name.

Can I change my vote?

Yes. You can change your vote or revoke your proxy before the meeting in any of three ways:

by submitting another proxy by telephone, via the internet or by mail that is later dated and, if by mail, that is properly signed; or

by submitting written notice to the Secretary of the Company. Your notice must be received by the Company by 5:00 p.m., Eastern Time, on May 13, 2009; or

by voting in person at the meeting.

What percentage of the vote is required for a proposal to be approved?

The three director nominees receiving the greatest number of votes will be elected. The service of such directors will be subject to the Corporate Governance Guidelines of the Company. The approval of an amendment to our Restated Articles of Incorporation requires the affirmative vote of the holders of record of a majority of the outstanding Pulte common shares on the record date. The approval of an amendment to the Pulte Homes, Inc. 2004 Stock Incentive Plan, the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm and the shareholder proposals each require the affirmative vote of a majority of the votes cast at the meeting.

Who will count the vote?

Computershare will act as the independent tabulator to receive and tabulate the proxies and as the independent inspector of election to certify the results.

What does it mean if I get more than one proxy card?

It means your shares are held in more than one account. You should vote the shares on all your proxy cards. To provide better shareholder service, we encourage you to have all your shares registered in the same name and address. You may do this by contacting our transfer agent, Computershare, by phone at (888) 294-8217, by mail at Computershare Trust Company, N.A., P.O. Box 43078, Providence, Rhode Island 02940-3078, or via the internet at www.computershare.com.

Who can attend the annual meeting?

All shareholders of record as of the close of business on March 17, 2009 can attend. Registration will begin at 8:00 a.m., Eastern Time. Institutional or entity shareholders are allowed to bring one representative. Attendance at the meeting will be on a first-come, first-served basis, upon arrival at the meeting.

What do I need to do to attend the annual meeting?

You should plan to arrive at Auburn Hills Marriott Pontiac at Centerpoint, 3600 Centerpoint Parkway, Pontiac, Michigan, on Thursday, May 14, 2009 by 8:00 a.m., Eastern Time. Upon your arrival, please follow the signs to the registration desk where you will register for the meeting.

An admission ticket (or other proof of stock ownership) and a government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the annual meeting. Representatives of Pulte will be present at the registration desk to review and determine the validity of such documentation. **Only shareholders who own Pulte common shares as of the close of business on March 17, 2009 will be entitled to attend the meeting. An admission ticket or recent bank or brokerage statement will serve as verification of your ownership.**

If your Pulte shares are registered in your name and you receive your proxy materials by mail, an admission ticket will be attached to your proxy card.

If your Pulte shares are registered in your name and you vote your shares electronically over the Internet, you may access and print an admission ticket after voting such shares.

If your Pulte shares are held in a bank or brokerage account, contact your bank or broker to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your bank or broker, you will not be entitled to vote your shares, but you can still attend the annual meeting if you bring a recent bank or brokerage statement showing that you owned Pulte shares on March 17, 2009.

For your comfort and security, no cameras, recording devices, large packages, signage or costumes will be permitted in the meeting room.

What is the quorum requirement of the annual meeting?

A majority of the 258,566,948 shares outstanding on March 17, 2009 constitutes a quorum for voting at the meeting. If you vote, your shares will be part of the quorum. Each share outstanding on the record date shall be entitled to one vote.

How will abstentions be treated?

Abstentions will be counted as shares present at the meeting for purposes of determining whether a quorum exists. You may not abstain with respect to the election of directors. With respect to the proposal to approve an amendment to our Restated Articles of Incorporation, the proposal requires the affirmative vote of a majority of our outstanding shares and, therefore, an abstention will have the same effect as a vote cast against the proposal. With respect to the proposals to approve an amendment to the Pulte Homes, Inc. 2004 Stock Incentive Plan and to ratify the appointment of Ernst & Young LLP and with respect to the shareholder proposals, an abstention will not be counted as a vote cast and therefore will have no effect on whether the proposal is approved.

How will broker non-votes be treated?

A broker non-vote occurs when a broker cannot vote on a matter because the broker has not received instructions from the beneficial owner and lacks discretionary voting authority with respect to that matter. Broker non-votes will be treated in the same manner, and have the same effect, as abstentions.

BENEFICIAL SECURITY OWNERSHIP

The table below shows the number of our common shares beneficially owned as of March 17, 2009 by each of our Directors and each of our Executive Officers named in the Summary Compensation Table on page 32, as well as the number of shares beneficially owned by all of our Directors and Executive Officers as a group. The table also includes information about stock options exercisable within 60 days after March 17, 2009, restricted shares, and Pulte common shares held in our 401(k) Plan.

Directors And Named Executive Officers	Shares(1)	Exercisable Stock Options(11)	Percentage of Outstanding Shares
Brian P. Anderson	16,500(2)	33,000	*
Roger A. Cregg	578,820(3)	1,923,716	*
Richard J. Dugas, Jr.	691,319(4)	1,740,000	*
Cheryl W. Gris�	4,600	7,000	*
Peter J. Keane	144,854(5)	147,750	*
Debra J. Kelly-Ennis	17,510(6)	117,000	*
David N. McCammon	151,600(7)	69,000	*
Patrick J. O Leary	13,500	33,000	*
Steven C. Petruska	534,405(8)	743,000	*
William J. Pulte	41,720,309(9)(12)	0	16.14
Bernard W. Reznicek	26,872(10)	85,000	*
Alan E. Schwartz	98,400	53,000	*
William B. Smith	28,800	101,000	*
Richard G. Wolford	3,600(13)	7,000	*
All Directors and Executive Officers as a group (19), including the above	44,475,909	6,024,683	19.53

* Less than 1%.

Notes:

- (1) All directors and executive officers listed in this table have sole voting and investment power over the Pulte shares they beneficially own, except as otherwise noted below.
- (2) Includes 3,000 Pulte common shares that Mr. Anderson owns jointly with his wife.
- (3) Includes (i) 245,379 Pulte common shares that Mr. Cregg owns jointly with his wife, (ii) 65,000 restricted shares that are scheduled to vest on February 5, 2010, (iii) 97,500 restricted shares that are scheduled to vest on February 7, 2011; (iv) 105,000 restricted shares that are scheduled to vest on February 10, 2012; and (v) 85 Pulte common shares held in our 401(k) Plan.
- (4) Includes (i) 69,800 Pulte common shares that Mr. Dugas owns jointly with his wife, (ii) 40,612 Pulte common shares owned in a trust of which Mr. Dugas is a beneficiary, (iii) 100,000 restricted shares that are scheduled to vest on February 5, 2010, (iv) 125,000 restricted shares that are scheduled to vest on February 7, 2011, (v) 120,000 restricted shares that are scheduled to vest on February 10, 2012; and (vi) 18,010 Pulte common shares held in our 401(k) Plan.
- (5) Includes (i) 30,000 restricted shares, which includes 10,000 shares that are scheduled to vest on September 15, 2009 and 20,000 shares that are scheduled to vest on September 15, 2010, (ii) 32,500 restricted shares that are scheduled to vest on February 5, 2010, and (iii) 35,000 restricted shares that are scheduled to vest on February 7, 2011, (iv) 16,000 restricted shares that are scheduled to vest on February 10, 2012; and (v) 128 Pulte common shares held in our 401(k) Plan.
- (6) Includes 16,310 shares that are owned in a trust of which Ms. Kelly-Ennis is a trustee and a beneficiary, and 1,200 shares that are held in an Individual Retirement Account.

(7) These shares are owned in a trust of which Mr. McCammon is a trustee and a beneficiary. All such shares are pledged as security.

(8) Includes (i) 211,027 Pulte common shares that are owned in a trust of which Mr. Petruska is a trustee and a beneficiary, all of which are pledged as security, (ii) 80,000 restricted shares that are scheduled to vest on February 5, 2010, (iii) 120,000 restricted shares that are scheduled to vest on February 7, 2011, (iv) 105,000 restricted shares that are scheduled to vest on February 10, 2010; and (v) 18,378 Pulte common shares held in our 401(k) Plan.

(9) Includes (i) 41,242,634 Pulte common shares that are owned by various trusts of which Mr. Pulte is a trustee, (ii) 100,000 restricted shares that are scheduled to vest on February 5, 2010, (iii) 125,000 restricted shares that are scheduled to vest on February 7, 2011, (iv) 120,000 restricted shares that are scheduled to vest on February 10, 2012, and (v) 132,675 Pulte common shares held in our 401(k) Plan.

(10) Includes 7,200 shares that Mr. Reznicek owns jointly with his wife.

(11) These are shares which the listed director or executive officer has the right to acquire within 60 days of March 17, 2009 pursuant to Pulte's stock option plans.

(12) 19,843,034 Pulte common shares owned by William J. Pulte are pledged as security, and 9,750,000 are subject to prepaid variable forward sales contracts.

(13) These shares are owned jointly by Mr. Wolford and his wife.

Beneficial Ownership of Significant Shareholders

The following table provides information regarding security holders that beneficially own more than 5% of all outstanding Pulte common shares:

Name and Address of Beneficial Owner	Beneficial Ownership of Common Shares	Percentage of Outstanding
		Common Shares on March 17, 2009
William J. Pulte 100 Bloomfield Hills Parkway, Suite 300 Bloomfield Hills, MI 48304	41,720,309(1)	16.14
FMR LLC 82 Devonshire Street Boston, MA 02109	38,622,139(2)	14.94
Janus Capital Management LLC 151 Detroit Street Denver, CO 80206	14,577,154(3)	5.64

Notes:

(1) Includes (i) 41,242,634 Pulte common shares that are owned by various trusts of which Mr. Pulte is a trustee, (ii) 100,000 restricted shares that are scheduled to vest on February 5, 2010, (iii) 125,000 restricted shares that are scheduled to vest on February 7, 2011, (iv) 120,000 restricted shares that are scheduled to vest on February 10, 2012, and (v) 132,675 Pulte common shares held in our 401(k) Plan.

(2)

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This information is derived from a Schedule 13G/A filed by FMR LLC and certain affiliated entities on February 17, 2009. According to the Schedule 13G/A, FMR LLC and certain affiliated entities had sole power to vote or direct the vote of 6,730,912 Pulte common shares, sole power to dispose of or direct the disposition of 38,622,139 Pulte common shares, and shared power to vote or direct the vote of, and shared power to dispose of or direct the disposition of, no shares.

- (3) This information is derived from a Schedule 13G filed by Janus Capital Management LLC and certain affiliated entities on February 17, 2009. According to the Schedule 13G, Janus Capital Management LLC and certain affiliated entities had sole power to vote or direct the vote of 6,270,490 Pulte common shares, sole power to dispose of or direct the disposition of 6,270,490 Pulte common shares, and shared power to vote or direct the vote of, and shared power to dispose of or direct the disposition of, 8,306,664 Pulte common shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Our directors and executive officers file reports with the SEC indicating the number of our common shares that they beneficially owned when they became a director or executive officer and, after that, any changes in their beneficial ownership of our common shares. They must also provide us with copies of these reports. These reports are required by Section 16(a) of the Securities Exchange Act of 1934, as amended. We have reviewed the copies of these reports that we have received and have also received and reviewed written representations of the accuracy of these reports from these individuals.

Based on these reports and representations, Pulte believes that during 2008 our directors and executive officers complied with all Section 16(a) reporting requirements, except that Cheryl W. Gris  and Richard G. Wolford, members of our Board of Directors, each filed a late Form 3 and Ms. Gris  filed a late Form 4 with respect to a purchase of Pulte common shares.

PROPOSAL ONE**ELECTION OF DIRECTORS**

Our Restated Articles of Incorporation require that we have at least three, but no more than 15, directors. The exact number of directors is set by the Board and is currently 11. The Board is divided into three classes of directors who have overlapping three year terms. Three current directors, Debra J. Kelly-Ennis, Bernard W. Reznicek, and Richard G. Wolford, have terms expiring at the 2009 annual meeting and are being nominated for re-election to serve three year terms to expire in 2012. These three nominees have each agreed to serve the additional term for which they have been nominated, if elected. The term of Alan E. Schwartz is also expiring at the 2009 annual meeting and Mr. Schwartz has notified the Nominating and Governance Committee that he would retire as a member of the Board of Directors, effective on the date of the annual meeting. Effective upon Mr. Schwartz's retirement, the size of the Board will be reduced to ten. In addition, Francis J. Sehn retired as a member of the Board, effective December 31, 2008. Please see below for a description of the occupations and recent business experience of all director nominees and continuing directors.

The Corporate Governance Guidelines of the Company provide that any nominee for director who, in an uncontested election receives a greater number of votes withheld from his or her election than votes for his or her election at the annual meeting (Majority Withheld Vote) will promptly tender his or her resignation from the Board. The Nominating and Governance Committee, which is comprised exclusively of independent directors, will consider the resignation and recommend to the Board whether to accept the tendered resignation or reject it. The Board will act upon the Nominating and Governance Committee's recommendation no later than the Board's first regularly scheduled meeting following certification of the Majority Withheld Vote. The action taken by the Board will be publicly disclosed in a report filed with the SEC and may include, without limitation, acceptance or rejection of the tendered resignation or adoption of measures designed to address the issues underlying the Majority Withheld Vote. The foregoing description is qualified in its entirety by reference to our Corporate Governance Guidelines, which are available for viewing on our website at www.pulte.com.

Nominees to Serve a Three Year Term Expiring at the 2012 Annual Meeting**Debra J. Kelly-Ennis**

Age: 52

Director since: 1997

Principal Occupation: President and CEO, Diageo Canada, Inc., Etobicoke, Ontario, Canada

Recent Business Experience: Ms. Kelly-Ennis has served as President and Chief Executive Officer of Diageo Canada, Inc., an adult spirits company, since September 2008. She served as Chief Marketing Officer of Diageo North America from April 2005 to September 2008. She served as President of Saab Cars USA, a wholly-owned subsidiary of General Motors Europe, from October 2002 to April 2005. Ms. Kelly-Ennis served as General Manager of the Oldsmobile Division of General Motors Corporation from May 2000 until September 2001, and served as Brand Manager of General Motors Chevrolet Division from March 1999 until April 2000.

Outside Directorships: Dress for Success Worldwide

Bernard W. Reznicek

Age: 72

Director since: 2002

Principal Occupation: President and Chief Executive Officer, Premier Enterprises Inc., Omaha, Nebraska

Recent Business Experience: Mr. Reznicek has served as President and Chief Executive Officer of Premier Enterprises Inc., a consulting, investment, and real estate development company, since April 1993. Mr. Reznicek was an executive with Central States Indemnity Company, a member of the Berkshire Hathaway Insurance Group, from January 1997 until January 2003. Mr. Reznicek served as Dean of the College of Business of Creighton University in Omaha, Nebraska from July 1994 until January 1997 and served as Chairman and Chief Executive Officer of Boston Edison, a utility company, from September 1987 to July 1994. He is also former President and Chief Executive Officer of Omaha Public Power.

Outside Directorships: CSG Systems International, Inc. (Non-Executive Chairman), Central States Indemnity, and Info Group, Inc. (Non-Executive Chairman).

Richard G. Wolford

Age: 64

Director since: 2008

Principal Occupation: Chairman of the Board, President and Chief Executive Officer, Del Monte Foods Company

Recent Business Experience: Mr. Wolford is Chairman of the Board, President and Chief Executive Officer of Del Monte Foods Company. Mr. Wolford joined Del Monte as Chief Executive Officer and a Director in April 1997. He was elected President of Del Monte in February 1998 and was elected Chairman of the Board in May 2000. From 1967 to 1987, he held a variety of positions at Dole Foods, including President of Dole Packaged Foods from 1982 to 1987. From 1988 to 1996, he was Chief Executive Officer of HK Acquisition Corp. where he developed food industry investments with venture capital investors. Mr. Wolford serves as Vice Chairman of the Board of Directors and on the Executive Committee for the Grocery Manufacturers Association (GMA). In June 2005, he was elected Chairman of GMA s Industry Affairs Council.

Outside Directorships: Del Monte Foods Company

The Board of Directors recommends a vote FOR the election of these three nominees.

Directors Continuing to Serve a Three Year Term Expiring at the 2010 Annual Meeting

William J. Pulte

Age: 76

Director since: 1956

Principal Occupation: Founder and Chairman of the Board, Pulte Homes, Inc.

Recent Business Experience: Mr. Pulte, the founder of Pulte Homes, Inc., has served as Chairman of the Board of Directors since December 2001. Previously, Mr. Pulte served as Chairman of the Executive Committee of the Board of Directors from January 1999 to December 2001, and Chairman of the Board of Directors from January 1991 until January 1999.

Richard J. Dugas, Jr.

Age: 43

Director since: 2003

Principal Occupation: President and Chief Executive Officer, Pulte Homes, Inc.

Recent Business Experience: Mr. Dugas has served as President and Chief Executive Officer of Pulte Homes, Inc. since July 1, 2003. Prior to that, he served as Chief Operating Officer of Pulte Homes from May 2002 through June 2003. Mr. Dugas previously served in various management positions with Pulte Homes since 1994, including, most recently, Coastal Region President with responsibility for the Georgia, North Carolina, South Carolina and Tennessee operations.

David N. McCammon

Age: 74

Director since: 1997

Principal Occupation: Senior Partner, Strength Capital Partners, L.L.C., Bloomfield Hills, Michigan

Recent Business Experience: Mr. McCammon has been Senior Partner of Strength Capital Partners, L.L.C., a private-equity fund, since June 2000. Previously, Mr. McCammon served as Vice President of Finance for Ford Motor Company until his retirement in 1997.

Directors Continuing to Serve a Three Year Term Expiring at the 2011 Annual Meeting

Cheryl W. Gris 

Age: 56

Director since: 2008

Principal Occupation: Retired Executive Vice President

Recent Business Experience: Ms. Gris  was Executive Vice President of Northeast Utilities, a public utility holding company, from December 2005 until her retirement effective July 2007; Chief Executive Officer of its principal operating subsidiaries from September 2002 to January 2007; President of the Utility Group of Northeast Utilities Service Company from May 2001 to January 2007; President of the Utility Group of Northeast Utilities from May 2001 to December 2005; and Senior Vice President, Secretary and General Counsel of Northeast Utilities from 1998 to 2001. Ms. Gris  is a Senior Fellow of the American Leadership Forum. She received her Bachelor of Arts from the University of North Carolina at Chapel Hill and a Juris Doctor from Thomas Jefferson School of Law, and has completed the Yale Executive Management Program.

Outside Directorships: Pall Corporation, MetLife, Inc., University of Connecticut Foundation and Kingswood-Oxford School

William B. Smith

Age: 65

Director since: 2001

Principal Occupation: Advisory Director, Morgan Stanley & Co., Incorporated, New York, New York

Recent Business Experience: Mr. Smith has been an Advisory Director of Morgan Stanley & Co., Incorporated, an international investment bank, since July 2000. Mr. Smith served as Managing Director and Head of Morgan Stanley Realty from May 1997 until July 2000.

Brian P. Anderson

Age: 58

Director since: 2005

Principal Occupation: Retired Chief Financial Officer

Recent Business Experience: Mr. Anderson was the Executive Vice President and Chief Financial Officer of OfficeMax, Inc., a business-to-business and retail office products distribution company, from November 2004 to January 2005. Prior to that time, Mr. Anderson was Senior Vice President and Chief Financial Officer of Baxter International, Inc., a global diversified medical products and services company, from 1998 to 2004.

Outside Directorships: W.W. Grainger, Inc., A.M. Castle & Co., and James Hardie Industries

Patrick J. O Leary

Age: 51

Director since: 2005

Principal Occupation: Executive Vice President and Chief Financial Officer of SPX Corporation

Recent Business Experience: Mr. O Leary has served as Executive Vice President and Chief Financial Officer of SPX Corporation, a global industrial and technological services and products company, since December 2004. Prior to that time, he served as Chief Financial Officer and Treasurer of SPX Corporation from October 1996 to December 2004.

If a nominee is unable to stand for election, the Board may reduce the number of directors or choose a substitute. If the Board chooses a substitute, shares represented by proxies will be voted for the substitute. If a director retires, resigns, dies, or is unable to serve for any reason, the Board may reduce the number of directors or appoint a new director to fill the vacancy. The new director would serve until the next annual meeting.

Independence

Under the Company's Corporate Governance Guidelines, a substantial majority of the members of our Board of Directors must be independent. The Board of Directors has adopted categorical independence standards to assist the Nominating and Governance Committee in determining director independence, which standards either meet or exceed the independence requirements of the New York Stock Exchange's (NYSE) corporate governance standards. Under these standards, no director can qualify as independent unless (i) the Board affirmatively determines that the director has no material relationship with the Company directly or as an officer, shareholder or partner of an organization that has a relationship with the Company, and (ii) the director meets the following categorical standards:

Has not been an employee of the Company for at least three years;

Has not, during the last three years, been employed as an executive officer by a company for which an executive officer of the Company concurrently served as a member of such company's compensation committee;

Has no immediate family members (i.e., spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than employees) who shares the Director's home) who did not satisfy the foregoing criteria during the last three years; provided, however, that such Director's immediate family member may have served as an employee but not as an executive officer of the Company during such three-year period so long as such immediate family member shall not have received, during any twelve-month period within such three-year period, more than \$120,000 in direct compensation from the Company for such employment;

Is not a current partner or employee of the Company's internal or external audit firm, and the director was not within the past three years a partner or employee of such a firm who personally worked on the Company's internal or external audit within that time;

Has no immediate family member who (i) is a current partner of a firm that is the Company's internal or external auditor, (ii) is a current employee of such a firm and personally works on the Company's internal or external audit or (iii) was within the past three years a partner or employee of such a firm and personally worked on the Company's audit within that time;

Has not received, and has no immediate family member who has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company (other than in his or her capacity as a member of the Board of Directors);

Is not a current employee, and has no immediate family member who is a current executive officer, of a company that made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;

Does not serve, and has no immediate family member who has served, during the last three years as an executive officer or general partner of an entity that has received an investment from the Company or any of its subsidiaries, unless such investment is less than the greater of \$1 million or 2% of such entity's total invested capital, whichever is greater, in any of the last three years; and

Has not been, and has no immediate family member who has been, an executive officer of a charitable or educational organization for which the Company contributed more than the greater of \$1 million or 2% of such charitable organizations consolidated gross revenues, in any of the last three years.

The Board considered all relevant facts and circumstances in assessing director independence and affirmatively determined that Brian P. Anderson, Debra J. Kelly-Ennis, Cheryl W. Gris , David N. McCammon, Patrick J. O'Leary, Bernard W. Reznicek, William B. Smith and Richard G. Wolford are independent within the meaning of the Company's categorical standards and the NYSE listing standards. The Board further determined that William J. Pulte and Richard J. Dugas, Jr., who are Pulte employees, and Alan E. Schwartz, who is a partner with Honigman Miller Schwartz and Cohn LLP, which provides legal services to Pulte and its subsidiaries, are not independent within the meaning of the Company's categorical standards and the NYSE listing standards.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has four standing committees to facilitate and assist the Board in the execution of its responsibilities. The committees are currently the Audit Committee, Compensation Committee, Nominating and Governance Committee and Finance Committee. Charters for the Audit Committee, Compensation Committee, and Nominating and Governance Committee are available on the Company's website at www.pulte.com. The table below shows current membership for each of the standing Board committees.

Director Name	Audit Committee	Compensation Committee	Nominating and Governance Committee	Finance Committee
Brian P. Anderson	X		X	
Richard J. Dugas, Jr.				X
Cheryl W. Gris�		X	X	
Debra J. Kelly-Ennis	X		X*	
David N. McCammon**	X*		X	