

MDC HOLDINGS INC
Form DEF 14A
March 02, 2009
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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

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

M.D.C. HOLDINGS, 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.
- 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:

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M.D.C. HOLDINGS, INC.

4350 South Monaco Street, Suite 500

Denver, Colorado 80237

March 2, 2009

To Our Shareowners:

You are invited to attend the 2009 Annual Meeting of Shareowners (the Meeting) of M.D.C. Holdings, Inc. (the Company) to be held at 4350 South Monaco Street, 6th Floor, Assembly Room, Denver, Colorado, on Monday, April 27, 2009, at 8:00 a.m., Denver time. Following this letter is the formal Notice of the Annual Meeting and a Proxy Statement describing the matters to be acted upon at the Meeting.

We are utilizing the new rules of the Securities and Exchange Commission that allow us to furnish your proxy materials over the Internet. We believe that this will allow us to lower the cost and environmental impact of our annual meeting. More details are included in the materials that follow.

Your vote is important. Please vote promptly, even if you plan to attend the meeting, by following the instructions in the Proxy Statement or in the Notice of Internet Availability of Proxy Materials that was mailed to you.

Sincerely,

Larry A. Mizel
Chairman of the Board

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M.D.C. HOLDINGS, INC.

4350 South Monaco Street, Suite 500

Denver, Colorado 80237

**NOTICE OF ANNUAL MEETING OF
SHAREOWNERS**

To Our Shareowners:

The 2009 Annual Meeting of Shareowners (the Meeting) of M.D.C. Holdings, Inc. (the Company) will be held at 4350 South Monaco Streetth, 6 Floor, Assembly Room, Denver, Colorado, on Monday, April 27, 2009, at 8:00 a.m., Denver time. Only shareowners of record at the close of business on February 27, 2009, the record date, will be entitled to vote. At the Meeting, we plan to consider and act upon the following matters:

1. the election of David E. Blackford and Steven J. Borick as Class III Directors for three-year terms expiring in 2012;
 2. a shareowner proposal, if the proposal is presented at the meeting;
 3. approval of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2009 fiscal year; and
 4. such other business as properly may come before the Meeting and any postponements or adjournments thereof.
- Our Board of Directors recommends that you for **FOR** Proposals One and Three and **AGAINST** Proposal 2.

Important Notice Regarding the Availability of Proxy Materials

for the Shareowner Meeting to Be Held on April 27, 2009:

The Proxy Statement and the Annual Report on Form 10-K are available at:

www.proxyvote.com

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Management and the Board of Directors desire to have maximum representation at the Meeting and request that you vote promptly, even if you plan to attend the meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

Joseph H. Fretz

Secretary

Denver, Colorado

March 2, 2009

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M.D.C. HOLDINGS, INC.

4350 South Monaco Street, Suite 500

Denver, Colorado 80237

PROXY STATEMENT

ANNUAL MEETING OF SHAREOWNERS

April 27, 2009

GENERAL INFORMATION

Why am I receiving these materials?

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board of Directors" or the "Board") of M.D.C. Holdings, Inc. (the "Company") to be used at the Annual Meeting of Shareowners of the Company (the "Meeting") to be held at our principal executive offices, 4350 South Monaco Street, 6th Floor, Assembly Room, Denver, Colorado 80237, on Monday, April 27, 2009, at 8:00 a.m., Denver time, and any postponements or adjournments thereof. The Record Date, for determining shareowners entitled to vote at the Meeting, is February 27, 2009. The Meeting is being held for the purposes set forth in the accompanying Notice of Annual Meeting of Shareowners. Our shareowners are invited to attend the meeting and are encouraged to vote on the matters described in this Proxy Statement.

How are the proxy materials being delivered?

Beginning this year, we are utilizing the new rules of the Securities and Exchange Commission ("SEC") that allow us to deliver proxy materials to our shareowners on the Internet. Under these rules, we are sending most of our shareowners a one-page Notice of Internet Availability of Proxy Materials (the "Notice") instead of a full set of proxy materials. If you receive the one-page Notice, you will not receive printed copies of the proxy materials unless you specifically request them. Instead, the Notice tells you how to access and review on the Internet all of the important information contained in the proxy materials. The Notice also tells you how to vote your proxy card on the Internet and how to request a printed copy of our proxy materials. We expect to mail, or provide the Notice and electronic delivery of, this Proxy Statement, the proxy card and the Notice of Annual Meeting (the "Proxy Materials") on or about March 2, 2009.

The Company's 2008 Annual Report on Form 10-K, which includes the Company's 2008 audited financial statements, accompanies these Proxy Materials. Except to the extent expressly referenced in this Proxy Statement, the Annual Report is not incorporated into this Proxy Statement.

Important Notice Regarding the Availability of Proxy Materials

for the Shareowner Meeting to Be Held on April 27, 2009:

The Proxy Statement and the Annual Report on Form 10-K are available at:

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Who is paying for this proxy solicitation?

The Company will pay the cost of solicitation. The Company also will reimburse bankers, brokers and others holding shares in their names or in the names of nominees or otherwise for reasonable out-of-pocket expenses incurred in sending the Proxy Materials to the beneficial owners of such shares. In addition to the original solicitation of proxies, solicitations may be made in person, by telephone or by other means of communication by Directors, officers and employees of the Company, who will not be paid any additional compensation for these activities.

Although we presently do not intend to do so, in the event that we retain the services of a proxy solicitation firm to solicit proxies, we would pay all reasonable costs associated with such firm, which we anticipate would not exceed \$10,000 plus costs and expenses.

Who is entitled to vote at or attend the Annual Meeting?

Holders of shares of the Company's common stock, \$.01 par value (the "Common Stock") at the close of business on the Record Date are entitled to notice of, and to vote at, the Meeting. All shareowners of record and beneficial owners wishing to attend the Meeting must bring with them a government issued picture identification of themselves and check in at the registration desk at the meeting. Beneficial owners must also bring proof of ownership as described below. A list of shareowners of record entitled to vote at the Meeting will be available for examination by any shareowner at the Meeting and for ten days prior to the Meeting at our principal executive offices.

Shareowners of Record. If, on the Record Date, your shares were registered directly in your name with the Company's transfer agent, Continental Stock Transfer & Trust Company, then you are a shareowner of record. As a shareowner of record, you may vote in person at the meeting or vote by proxy.

Beneficial Owners. If, on the Record Date, your shares were not held in your name, but rather were held in an account at a brokerage firm, bank or other nominee (commonly referred to as being held in "street name"), or through our 401(k) savings plan, you are the beneficial owner of those shares. The organization holding your account is considered to be the shareowner of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other nominee regarding how to vote the shares held in your account. You are also invited to attend the Annual Meeting. However, since you are not the shareowner of record, you may not vote your shares in person at the meeting unless you obtain a valid legal proxy from your broker or other nominee and bring the legal proxy to the annual meeting. (Legal proxies are not available for shares held through our 401(k) savings plan; you must vote those shares as provided below.) If you want to attend the annual meeting, but not vote at the annual meeting, you must provide proof of beneficial ownership as of the Record Date, such as your most recent account statement prior to the Record Date.

How do I vote my shares?

By Telephone or the Internet. Shareowners can vote their shares via telephone or the Internet as instructed in the Notice of Internet Availability of Proxy Materials. The telephone and Internet procedures are designed to authenticate a stockholder's identity, to allow stockholders to vote their shares and confirm that their instructions have been properly recorded. The telephone and Internet voting facilities will close at 11:59 p.m., Eastern Time, on April 26, 2009.

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By Mail. Shareowners who requested a paper proxy card may vote by mail and should complete, sign and date their proxy card and mail it in the pre-addressed envelope that accompanied the delivery of paper proxy card. Proxy cards submitted by mail must be received by the time of the meeting in order for your shares to be voted. Beneficial shareowners (shares held in street name) may vote by mail by requesting a paper proxy card according to the instructions contained in the Notice of Internet Availability of Proxy Materials received from their broker or other agent, and then completing, signing and dating the voting instruction card provided by the broker or other agent and mailing it in the pre-addressed envelope provided.

401(k) Savings Plan. If your shares are held through our 401(k) savings plan, you will receive the Notice of Internet Availability of Proxy Materials, or copies of the Proxy Materials, and you are entitled to instruct the trustee how to vote the shares allocated to your account following the instructions described above.

At the Meeting. Shares held in your name as the shareowner of record may be voted by you in person at the Annual Meeting. Shares held beneficially in street name may be voted by you in person at the Annual Meeting only if you obtain a legal proxy from the broker or other agent that holds your shares, giving you the right to vote the shares, and you bring the legal proxy to the Annual Meeting.

What if I receive more than one Notice of Internet Availability of Proxy Materials?

If you receive more than one Notice, you hold shares in more than one name or shares in different accounts. To ensure that all of your shares are voted, you will need to vote separately by telephone or the Internet using the specific control number contained in each Notice that you receive.

Can I change my vote or revoke my proxy?

You can change your vote or revoke your proxy before the Meeting. You can do this by casting a later proxy through any of the available methods described above. If you are a shareowner of record, you can also revoke your proxy by delivering written notice of revocation to the Secretary of the Company, by presenting to the Company a later-dated proxy card executed by the person executing the prior proxy card or by attending the Meeting and voting in person. If you are a beneficial owner, you can revoke your proxy by following the instructions sent to you by your broker, bank or other agent.

How are votes counted?

Shares of Common Stock represented by properly executed proxy cards, or voted by proxy by telephone or the Internet, and received in time for the Meeting will be voted in accordance with the instructions specified in the proxies. Unless contrary instructions are indicated in a proxy, the shares of Common Stock represented by such proxy will be voted **FOR** the election as Directors of the nominees named in this Proxy Statement, **AGAINST** the shareowner proposal and **FOR** approval of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm. If you grant a proxy (other than for shares held in our 401(k) savings plan), either of the officers named as proxy holders, Christopher M. Anderson and Michael Touff, or their nominees or substitutes, will have the discretion to vote your shares on any additional matters that are properly presented for a vote at the Meeting or at any adjournment or postponement that may take place. If, for any unforeseen reason, either of our nominees is not available as a candidate for director, the persons named as the proxy holder will vote your proxy for another candidate or other candidates nominated by our Board.

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The trustee of the 401(k) savings plan is authorized to vote the shares of Common Stock allocated to participant accounts as directed by the participants. If the 401(k) trustee does not receive voting instructions from a participant, or if instructions are not received in a timely fashion, the trustee will vote the participant's shares of Common Stock in the same proportions as the participants who affirmatively directed their shares of Common Stock to be voted, unless the trustee determines that a pro rata vote would be inconsistent with its fiduciary duties under the Employee Retirement Income Security Act (ERISA). If the trustee makes such a determination, the trustee will vote the Common Stock as it determines to be consistent with its fiduciary duties under ERISA.

The inspector of elections designated by the Company will use procedures consistent with Delaware law concerning the voting of shares, the determination of the presence of a quorum and the determination of the outcome of each matter submitted for a vote.

What are the voting requirements?

Each share of Common Stock issued and outstanding on the Record Date, other than shares held by the Company or a subsidiary, is entitled to one vote on each matter presented at the Meeting. As of the Record Date, approximately 48,279,000 shares of Common Stock were issued and outstanding and the number of shares of Common Stock entitled to vote was approximately 46,786,000.

The Company's By-Laws provide that the holders of one-third of the shares of Common Stock issued and outstanding and entitled to vote, present in person or represented by proxy, constitute a quorum for transacting business at the Meeting. Shareowners who are present in person or represented by proxy, whether they vote for, against or abstain from voting on any matter, will be counted for purposes of determining whether a quorum exists. Broker non-votes, described below, also will be counted as present for purposes of determining whether a quorum exists.

The affirmative vote of the holders of a plurality of the shares of Common Stock present in person or represented by proxy and entitled to vote at the Meeting will be required for the election of a nominee to the Board of Directors. To be approved, the shareowner proposal and the proposal to approve the appointment of the Company's auditor each must receive the affirmative vote of the holders of a majority of the shares of Common Stock represented and entitled to vote at the Meeting.

Rules of the New York Stock Exchange (NYSE) also determine whether proposals presented at shareowner meetings are routine or non-routine. If a proposal is routine, a NYSE member organization (broker) holding shares for an owner in street name may vote on the proposal without voting instructions from the owner. If a proposal is non-routine, the broker may vote on the proposal only if the owner has provided voting instructions. A broker non-vote occurs when a proxy is received from a broker and the broker has not voted with respect to a particular matter because the broker has not received voting instructions from the beneficial owner of the shares and the broker either lacks or declines to exercise the authority to vote the shares in its discretion. The uncontested proposal to elect directors and the proposal to approve the selection of the auditor are routine proposals under the rules of the NYSE. As a result, brokers holding shares for an owner in street name may vote on the proposals even if no voting instructions are provided by the beneficial owner. The shareowner proposal is a *non-routine* proposal under the rules of the NYSE. As a result, brokers holding shares for an owner in street name may vote on the proposal only if voting instructions are provided by the beneficial owner.

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The following table reflects the vote required for the proposals and the effect of broker non-votes, withhold votes and abstentions on the vote, assuming a quorum is present at the Meeting:

Proposal	Vote Required	Effect of Broker Non-Votes, Withhold Votes and Abstentions
Election of Directors	The two nominees who receive the most votes will be elected.	Broker non-votes and withhold votes have no legal effect.
Shareowner Proposal	Affirmative vote of the holders of a majority of the shares of Common Stock represented and entitled to vote at the Meeting.	Broker non-votes have no legal effect; abstentions have the same effect as a vote against the proposal.
Selection of Auditor	Affirmative vote of the holders of a majority of the shares of Common Stock represented and entitled to vote at the Meeting.	Broker non-votes have no legal effect; abstentions have the same effect as a vote against the proposal.

Management and the Board of Directors of the Company know of no other matters to be brought before the Meeting. If any other proposals are properly presented to the shareowners at the Meeting, the number of votes required for approval will depend on the nature of the proposal. Generally, under Delaware law and our By-Laws, the number of votes required to approve a proposal is the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy and entitled to vote at the Meeting. The proxy card gives discretionary authority to the proxy holders to vote on any matter not included in this Proxy Statement that is properly presented to the shareowners at the Meeting and any adjournments or postponements thereof. The persons named as proxies on the proxy card are Christopher M. Anderson, the Company's Senior Vice President, Chief Financial Officer and Principal Accounting Officer, and Michael Touff, the Company's Senior Vice President and General Counsel.

HOUSEHOLDING OF PROXY MATERIALS

The broker, bank or other nominee of any shareowner who is a beneficial owner, but not the record holder, of the Company's Common Stock may deliver only one copy of the proxy related materials to multiple shareowners sharing an address, unless the broker, bank or nominee has received contrary instructions from one or more of the shareowners.

In addition, with respect to shareowners of record, in some cases, only one copy of the proxy related materials may be delivered to multiple shareowners sharing an address, unless the Company has received contrary instructions from one or more of the shareowners. Upon written or oral request, the Company will deliver free of charge a separate copy of each of the proxy related materials, as applicable, to a shareowner at a shared address to which a single copy was delivered. You can notify your broker, bank or other nominee (if you are not the record holder) or the Company (if you are the record holder) that you wish to receive a separate copy of such materials in the future, or alternatively, that you wish to receive a single copy of the materials instead of multiple copies. The Company's contact information for these purposes is: M.D.C. Holdings, Inc., telephone number: (303) 773-1100, Attn: Corporate Secretary, 4350 South Monaco Street, Suite 500, Denver, CO 80237.

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CORPORATE GOVERNANCE

Director Independence

NYSE listing standards require that the Board of Directors be comprised of a majority of independent directors. SEC rules and NYSE listing standards require that audit committees be comprised solely of independent directors. NYSE listing standards also require that corporate governance/nominating committees and compensation committees be comprised solely of independent directors.

Under the NYSE listing standards, no director qualifies as independent unless the Board of Directors affirmatively determines that the director has no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. As permitted by the NYSE listing standards, the Board has adopted the following categorical standards to assist in determining whether a director of the Company (Director) is independent:

Unless there exists a material relationship between the Company and a Director of the Company, such Director will be deemed independent if:

1. The Director has not been an employee of the Company, and no immediate family member of the Director has been an executive officer of the Company, within the last three years.
2. The Director has not received, and no immediate family member of the Director has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than (a) director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), (b) compensation paid to the Director for former service as an interim chairman, chief executive officer or other executive officer of the Company, or (c) compensation paid to an immediate family member of the Director as an employee of the Company (other than an executive officer of the Company).
3. (a) Neither the Director nor an immediate family member of the Director is a current partner of a firm that is the Company's internal or external auditor; (b) the Director is not a current employee of such a firm; (c) the Director does not have an immediate family member who is a current employee of such a firm and who personally works on the Company's audit; or (d) neither the Director nor an immediate family member of the Director was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time.
4. Neither the Director nor an immediate family member of the Director is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executives at the same time serves or served on the other company's compensation committee.
5. The Director is not a current employee, and no immediate family member of the Director is a current executive officer, of a company that has 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.

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The Board of Directors also has adopted the following, additional standards of independence with respect to members of the Company's Audit Committee:

A Director will be deemed independent for purposes of Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended, provided:

1. The Director has not directly or indirectly accepted any consulting, advisory, or other compensatory fee from the Company (or any subsidiary), other than (a) in the Director's capacity as a member of the Board of Directors and any Board committee, (b) fixed amounts under a retirement plan for prior service or (c) dividends to shareowners.
2. The Director has not been an affiliated person of the Company (or any subsidiary), apart from his/her capacity as a member of the Board or any Board committee. An affiliated person means a person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Company.

The foregoing standards are available on the investor relations section of Company's web site, www.richmondamerican.com.

The Company's Board of Directors has determined the independence of Directors based on a review conducted by the Corporate Governance/Nominating Committee. This determination included consideration of the fact that California Bank & Trust, of which Mr. Blackford is the Chief Executive Officer, is one of the 23 participating lenders in the Company's Second Amended and Restated Credit Agreement dated March 22, 2006, as amended, and that Mr. Blackford has no direct or indirect material interest with respect to the credit agreement. The Board determined that each of Messrs. Michael A. Berman, David E. Blackford, Steven J. Borick, Herbert T. Buchwald and William B. Kemper have no material relationship with the Company, each is independent under the rules of the SEC and the NYSE listing standards, each meets the foregoing standards of independence adopted by the Board and each is an outside director within the meaning of Section 162(m) of the Internal Revenue Code and the regulations thereunder.

Frequent Meetings of the Board of Directors and Board Committees

For years, the Board of Directors and the Audit Committee generally have held regular monthly meetings and additional meetings as necessary. The other Board committees also hold frequent meetings, as may be necessary. In 2008, the Board, the Audit Committee, the Compensation Committee, the Corporate Governance/Nominating Committee and the Legal Committee held 14, 12, 11, 6 and 10 meetings, respectively. In 2007, they held 12, 12, 12, 6 and 9 meetings, respectively, and in 2006, they held 14, 16, 9, 7 and 9 meetings, respectively.

Asset Management Committee

Even prior to passage of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act) and the SEC and NYSE corporate governance requirements that followed, the Company had in place an Asset Management Committee (AMC). The AMC includes at least one member of our senior management. The AMC generally meets weekly to review all proposed land transactions and other proposed non-land transactions at or above certain thresholds. Land and other transactions that exceed certain thresholds also are reviewed by an executive committee of senior officers and the Board of Directors.

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Lead Director

The Board has designated Herbert T. Buchwald, an independent member of the Board, as Lead Director. Mr. Buchwald is the Chairman of the Audit Committee, a member of the Compensation, Legal and Corporate Governance/Nominating Committees, and is the Company's Audit Committee Financial Expert. Among other responsibilities, the Lead Director advises the Chairman of the Board as to the quality, quantity and timeliness of the flow of information to permit the independent Directors to effectively and responsibly perform their duties, assists in providing effective corporate governance in the management of the affairs of the Board and the Company, advises the Chairman as to an appropriate schedule of Board and Committee meetings, provides input as to meeting agendas and topics, coordinates and provides guidance to the committee chairmen and independent Directors in the performance of their duties, coordinates the agenda for and presides at executive sessions of the independent Directors, facilitates the process of conducting Committee and Board self-evaluations, acts as a liaison between the independent Directors and the Chairman of the Board, as deemed necessary, and performs such other responsibilities as may be delegated to the Lead Director by the Board from time to time.

Corporate Governance/Nominating Committee

The Board of Directors has established a Corporate Governance/Nominating Committee, consisting of Messrs. Kemper, Buchwald, Berman and Blackford, who serves as its Chairman. Each member of the committee is independent as defined in the listing standards of the NYSE. The organization, functions and responsibilities of the committee are described in the Corporate Governance/Nominating Committee charter, which is posted under the corporate governance documents on the investor relations section of the Company's website, www.richmondamerican.com. See also "Information Concerning the Board of Directors" below.

Corporate Governance Guidelines

Upon the recommendation of the Corporate Governance/Nominating Committee, the Board of Directors adopted a set of corporate governance guidelines to implement requirements of the NYSE. These guidelines, as amended, are posted under the corporate governance documents on the investor relations section of the Company's website, www.richmondamerican.com, and are available without charge to any shareowner who requests a copy by writing to the Corporate Secretary at the address listed above.

Equity Ownership Guidelines for Directors

In order to evidence the financial alignment of the Company's Directors with the interests of the Company's shareowners, the Corporate Governance/Nominating Committee has established Equity Ownership Guidelines for Directors of the Company. Under these guidelines, each Director is encouraged to acquire and maintain ownership of Common Stock with an acquisition value of not less than ten times the annual amount of the retainer paid for serving on the Board of Directors (currently \$48,000 paid \$4,000 per month). Each Director is encouraged to achieve this goal within five years of the adoption of the guidelines in March of 2005 and, for any Director who was not serving on the Board at the time the guidelines were adopted, the Director is requested to achieve the goal set forth in the guidelines within five years after election or appointment to the Board.

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Regularly Scheduled Executive Sessions of Non-Management Directors

The Company's corporate governance guidelines provide for the non-management Directors to meet at regularly scheduled executive sessions without management present. All five of the Company's non-management directors are independent, as discussed above. The Lead Director presides at the executive sessions. In 2008, four executive sessions were held.

Communications with the Board of Directors

Shareowners and other interested parties may contact the independent Directors and the Board of Directors by using the procedures established by the Audit Committee for receipt of complaints and concerns regarding accounting or auditing matters. These procedures are posted under the corporate governance documents in the investor relations section of the Company's website, www.richmondamerican.com. Alternatively, communications may be sent directly to Mr. Blackford, Chairman of the Corporate Governance/Nominating Committee, at 1900 Main Street, 2nd Floor, Irvine, CA 92614. Any communications received by the Company's compliance committee, which come within the purview of a Board committee and/or the Board, will be forwarded to the committee chair or the Lead Director, as applicable.

Committee Charters

Upon the recommendations of the Audit Committee and the Compensation Committee, respectively, the Board of Directors has adopted re-stated charters for those committees, designed to comply with the applicable requirements of the amended NYSE listing standards and SEC regulations. The Board of Directors also has adopted a charter for the Corporate Governance/Nominating Committee and a re-stated charter for the Legal Committee. These charters are posted under the corporate governance documents on the investor relations section of the Company's website, www.richmondamerican.com, and are available without charge to any shareowner who requests a copy by writing to the Corporate Secretary at the address listed above.

Corporate Code of Conduct

For years, the Company has had in place a Corporate Code of Conduct designed to provide that all persons associated with the Company, including employees, officers and Directors, follow the Company's compliance program and legal and ethical obligations and conduct themselves accordingly. The Corporate Code of Conduct includes, among other things, a code of ethics for senior financial officers and Audit Committee complaint procedures, as required by the Sarbanes-Oxley Act and SEC regulations. The Corporate Code of Conduct, the code of ethics for senior financial officers and the Audit Committee complaint procedures for handling confidential complaints regarding accounting or auditing matters are posted under the corporate governance documents on the investor relations section of the Company's website, www.richmondamerican.com, and are available without charge to any person who requests a copy by writing to the Corporate Secretary at the address listed above.

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Certain information, as of February 27, 2009, the Record Date, with respect to the Company's executive officers (including one former officer), the nominees for election as Directors and the continuing Directors of the Company, furnished in part by each such person, appears below (unless stated otherwise, the named beneficial owner possesses the sole voting and investment power with respect to such shares):

Name of Executive Officer/Director	Number of Shares of Common Stock Owned Beneficially ¹	Percent of Class ²
Christopher M. Anderson	30,093	*
Michael A. Berman	75,000	*
David E. Blackford	104,000	*
Steven J. Borick	100,500	*
Herbert T. Buchwald	194,673	*
William B. Kemper	132,500	*
David D. Mandarich	3,629,590 ⁽³⁾	7.6%
Larry A. Mizel	7,372,754 ⁽⁴⁾	15.5%
Paris G. Reece III (former officer)	489,192	1.0%
Michael Touff	193,501	*
All executive officers and Directors as a group (10 persons)	12,321,803	24.9%

* Represents less than one percent of the shares of Common Stock outstanding and entitled to vote.

¹ Includes, where applicable, shares of Common Stock owned by related individuals or entities over whose shares such person may be deemed to have beneficial ownership. Also includes the following shares of Common Stock subject to options that are exercisable or become exercisable within 60 days of the Record Date at prices ranging from \$18.47 to \$78.89 per share: Michael A. Berman 75,000; David E. Blackford 100,000; Steven J. Borick 100,000; Herbert T. Buchwald 177,575; William B. Kemper 132,500; David D. Mandarich 709,300; Larry A. Mizel 934,300; Paris G. Reece III 278,981; and Michael Touff 69,669. As a group, the executive officers, the former officer and Directors had the right to acquire within 60 days of the Record Date by the exercise of options an aggregate of 2,577,325 shares of Common Stock.

² The percentage shown is based on the number of shares of Common Stock outstanding and entitled to vote as of the Record Date. All shares of Common Stock which the person or group had the right to acquire within 60 days of the Record Date are deemed to be outstanding for the purpose of computing the percentage of shares of Common Stock owned by such person or group, but are not deemed to be outstanding for the purpose of computing the percentage of shares of Common Stock owned by any other person or group.

³ Mr. Mandarich has sole voting power and sole investment power over 3,628,647 shares. Mr. Mandarich disclaims ownership of 943 shares owed by his son of majority age.

⁴ Mr. Mizel has sole voting power over 1,057,374 shares, shared voting power over 6,315,380 shares, sole investment power over 1,057,374 shares and shared investment power over 6,315,380 shares.

Ownership of Certain Beneficial Owners

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The table below sets forth information with respect to those persons (other than the officers/directors listed above) known to the Company, as of February 27, 2009, to have owned beneficially 5%

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or more of the outstanding shares of Common Stock. The information as to beneficial ownership is based upon statements filed by such persons with the SEC under Section 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Owned Beneficially	Percent of Class ¹
Wellington Management Company, LLP 75 State Street Boston, MA 02109	5,831,566 ²	12.5%
Vanguard Windsor Funds 100 Vanguard Blvd. Malvern, PA 19355	2,989,626 ³	6.4%

¹ The percentage shown is based on the number of shares outstanding and entitled to vote as of the Record Date.

² Schedule 13G/A filed with the SEC on February 17, 2009 disclosed that: Wellington Management Company, LLP may be deemed to beneficially own 5,831,566 shares and that it has shared voting power over 2,201,138 share and shared dispositive power over 5,798,666 shares.

³ Schedule 13G/A filed with the SEC on February 13, 2009 disclosed that: Vanguard Windsor Funds has sole voting power over 2,989,626 shares.

No change in control of the Company has occurred since the beginning of the last fiscal year. The Company knows of no arrangement the operation of which, at a subsequent date, may result in a change in control of the Company.

PROPOSAL ONE**ELECTION OF DIRECTORS**

The Company's Certificate of Incorporation provides for three classes of Directors with staggered terms of office, to be divided as equally as possible. Nominees of each class serve for terms of three years (unless a nominee is changing to a different class) and until election and qualification of their successors or until their resignation, death, disqualification or removal from office.

The Board of Directors consists of seven members, including two Class III Directors whose terms expire in 2009, three Class I Directors whose terms expire in 2010 and two Class II Directors whose terms expire in 2011. At the Meeting, two Class III Directors are to be elected to three-year terms expiring in 2012. The nominees for the Class III Directors are Messrs. David E. Blackford and Steven J. Borick. Both of the nominees presently serve on the Board of Directors of the Company. Based on the recommendation of the Corporate Governance/Nominating Committee, the Board approved the nomination of Messrs. Blackford and Borick for election as Class III Directors.

Unless otherwise specified, proxies will be voted **FOR** the election of Messrs. Blackford and Borick. Management and the Board of Directors are not aware of any reasons that would cause Messrs. Blackford and Borick to be unavailable to serve as Directors. If Messrs. Blackford and Borick become unavailable for election, discretionary authority may be exercised by the proxy holders named in the proxy to vote for a substitute candidate or candidates nominated by the Board of Directors.

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The Board of Directors recommends a vote FOR the election of Messrs. Blackford and Borick as Directors.

Certain information, as of February 27, 2009, the Record Date, with respect to Messrs. Blackford and Borick, the nominees for election, and the continuing Directors of the Company, furnished in part by each such person, appears below:

Name	Age	Positions and Offices with the Company and Other Principal Occupations
NOMINEES:		
Class III		
Terms Expire in 2009		
David E. Blackford	60	President, Chief Executive Officer and Chairman of the Board of California Bank & Trust
Steven J. Borick	56	Director, President and Chief Executive Officer of Superior Industries International, Inc., President of Texakota, Inc. and a General Partner in Texakota Oil Company
CONTINUING DIRECTORS:		
Class I		
Terms Expire in 2010		
Michael A. Berman	58	Chairman, Applied Capital Management
Herbert T. Buchwald	78	Principal in the law firm of Herbert T. Buchwald, P.A. and President and Chairman of the Board of Directors of BPR Management Corporation
Larry A. Mizel	66	Chairman of the Board of Directors and Chief Executive Officer of the Company
Class II		
Terms Expire in 2011		
William B. Kemper	72	Private real estate investor
David D. Mandarich	61	President and Chief Operating Officer of the Company

Other Information Relating to Directors

The following is a brief description of the business experience during at least the past five years of each nominee for the Board of Directors of the Company and each of the continuing members of the Board. None of the business organizations (excluding the Company, HomeAmerican Mortgage Corporation and M.D.C. Land Corporation) are affiliates of the Company.

Michael A. Berman has been a member of Applied Capital Management, a private investment management firm located in Scottsdale, Arizona, since 2002 and served as its chairman from 2002 to date. From 2005 to 2006, he also served as chief executive officer of First Ascent Capital, a financial services firm located in New York. From July 2006 until December 2008, he served as president and

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chief executive officer of Real Estate Equity Exchange, Inc. (Rex & Co.), a financial services firm located in San Francisco, California. On April 24, 2006, Mr. Berman became a Director of the Company and, on September 27, 2006, he became a director of HomeAmerican Mortgage Corporation (HomeAmerican), the Company's wholly owned mortgage lending subsidiary. Mr. Berman is a member of the Audit, Compensation and Corporate Governance/Nominating Committees.

David E. Blackford has been employed with California Bank & Trust (CB&T) since 1998 and in May 2001 he was appointed chairman, president and chief executive officer. Previously, he served CB&T as managing director and as a member of the board of directors and the Senior Loan Committee for Real Estate Finance. Prior to 1998, he served as an executive officer in different financial institutions, including Bank One and Chemical Bank. He joined the Company's Board of Directors in April 2001. Mr. Blackford is Chairman of the Corporate Governance/Nominating Committee and a member of the Audit Committee.

Steven J. Borick was named president and chief executive officer of Superior Industries International, Inc. effective January 1, 2004. Mr. Borick had been named president and chief operating officer effective January 1, 2003 and, prior to that date, he served as executive vice president of that company. Mr. Borick has been a director of that company since 1981, becoming Chairman of the Board in May of 2007. Superior Industries International, Inc. is a NYSE-listed manufacturer of automobile wheels and suspension parts. Mr. Borick has been president of Texakota, Inc., an oil and gas exploration and development company, and general partner in Texakota Oil Company, a private oil and gas partnership, for the last eleven years. Mr. Borick has been a Director of the Company since April 1987. He is a member of the Legal Committee.

Herbert T. Buchwald has been a principal in the law firm of Herbert T. Buchwald, P.A. and president and chairman of the board of directors of BPR Management Corporation, a property management company located in Denver, Colorado, for more than the past five years. He is an attorney admitted to practice before federal and state trial and appellate courts in Florida and Colorado. He holds an accounting degree and formerly was a practicing Certified Public Accountant. In addition, Mr. Buchwald has been engaged for over 30 years in the real estate development of residential and commercial properties in Florida, New Jersey and Colorado, serving as chief executive officer of various entities. Mr. Buchwald was appointed to the Company's Board of Directors in March 1994. He is a member of the Compensation, Legal and Corporate Governance/Nominating Committees, the Chairman of the Audit Committee and the Company's Lead Director. He also served on the board of M.D.C. Land Corporation (MDC Land), a wholly owned subsidiary of the Company, until January 29, 2008.

William B. Kemper has been engaged in private real estate investments, real estate development and property management since May 1982. Prior to May 1982, he was president of Gold Crown, Inc., a real estate development company. He also is a director of HomeAmerican. Mr. Kemper has been a Director since January 1972. He is a member of the Audit and Corporate Governance/Nominating Committees and is the Chairman of the Compensation Committee.

David D. Mandarich was elected President and Chief Operating Officer of the Company in June 1999, having previously been elected Chief Operating Officer in March 1996, Co-Chief Operating Officer in September 1994 and Executive Vice President-Real Estate in April 1993. He was a Director from September 1980 until April 1989, was appointed a Director in March 1994 and subsequently has continued to serve as a Director.

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Larry A. Mizel has served as Chairman of the Board of Directors and the Chief Executive Officer of the Company for more than five years and was elected President of the Company in March 1996. Mr. Mizel resigned as President of the Company in June 1999. Mr. Mizel has been a Director since founding the Company in January 1972. In 2003, Mr. Mizel was elected chairman of the board of the Simon Wiesenthal Center, an international human rights organization.

INFORMATION CONCERNING THE BOARD OF DIRECTORS

During 2008, the Board of Directors held 12 regularly scheduled meetings and two special meetings. The Directors also considered Company matters and had numerous communications with the Chairman of the Board of Directors and other officials of the Company wholly apart from the formal Board meetings. In 2008, all of the Company's Directors attended 100% of the total number of meetings of the Board of Directors and of the committees of the Board of Directors on which they served, with the exception of Mr. Borick who was absent from one Board meeting and one Legal Committee meeting due to illness (he attended 92% of the total number of meetings) and Mr. Kemper who was absent from one Audit Committee meeting (he attended 98% of the total number of meetings). Directors are expected to attend the Company's annual meeting of shareowners and, to facilitate their attendance, annual meetings typically are scheduled the same day as a monthly Board meeting. In 2008, all of the Directors attended the Annual Meeting.

Audit Committee

The Audit Committee of the Board of Directors consists of Messrs. Berman, Blackford, Kemper and Buchwald, who serves as Chairman. Each member of the Audit Committee is independent and financially literate in the judgment of the Board of Directors, as defined in the listing standards of the NYSE and the rules of the SEC. In addition, the Board of Directors has determined that Mr. Buchwald is an audit committee financial expert as defined by applicable SEC regulations. The Board believes that his experience and qualifications described above under Other Information Relating to Directors qualify him to act as the Committee's audit committee financial expert.

The Audit Committee met 12 times during 2008. The organization, functions and responsibilities of the Audit Committee are described in the re-stated charter for the Audit Committee, which is posted on the investor relations section of the Company's website, www.richmondamerican.com. The Audit Committee's functions include: assisting the Board in its oversight of the Company's compliance with legal and regulatory requirements, oversight of the Company's external auditors, review of the Company's financial statements, review of the annual audit plan and results of the audit, review of any significant modification in accounting policies, oversight of the duties of the Company's internal audit department and consideration of policies with respect to risk assessment and risk management.

Compensation Committee

The Compensation Committee consists of Messrs. Berman, Buchwald and Kemper, who serves as Chairman. During 2008, the Compensation Committee met 11 times. Each member of the committee is independent in the judgment of the Board of Directors, as defined in the listing standards of the NYSE. The Compensation Committee approves executive compensation plans, reviews salaries, bonuses and other forms of compensation for officers and key employees of the Company, establishes salary levels, benefits and other forms of compensation for employees and addresses other compensation and personnel matters as the Board of Directors from time to time may request. The organization, functions

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