

PULTE HOMES INC/MI/
Form PRE 14A
March 19, 2002

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**SCHEDULE 14A
(Rule 14A-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

**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
Commission only (as permitted by
Rule 14a-6(e)(2).

Confidential, for use of the

Definitive proxy statement.

Definitive additional materials.

Soliciting material pursuant to Rule 14a-11(c) or Rule 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.

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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PULTE HOMES, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 15, 2002

To the Shareholders of Pulte Homes, Inc.:

We will hold the annual meeting of our shareholders at the Michigan State University Management Education Center, Room 103, 811 West Square Lake Road, Troy, Michigan, on Wednesday, May 15, 2002, at 10:00 a.m., Eastern Daylight Time, for the following purposes:

- (1) to elect six directors;
- (2) to act on a proposal to amend our Articles of Incorporation to increase the number of authorized shares of Common Stock from 100,000,000 shares, \$0.01 par value, to 200,000,000 shares, \$0.01 par value;
- (3) to act on a proposal to adopt the Pulte Homes, Inc. 2002 Stock Incentive Plan for Key Employees; and
- (4) to transact such other business as may properly come before the meeting.

Only shareholders of record at the close of business on March 18, 2002 will be entitled to vote at the meeting.

We call your attention to the attached proxy statement and the accompanying proxy, which we ask you to sign and return in the enclosed envelope. No postage is required if you mail the proxy from within the United States. If you attend the annual meeting, you may withdraw your proxy and vote your shares.

A copy of our Annual Report for the fiscal year ended December 31, 2001 accompanies this notice.

By Order of the Board of Directors

JOHN R. STOLLER
Senior Vice President, General Counsel
and Secretary

Bloomfield Hills, Michigan
, 2002

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**33 Bloomfield Hills Parkway, Suite 200
Bloomfield Hills, Michigan 48304**

**PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 15, 2002**

General Information

We will hold the annual meeting of our shareholders at the Michigan State University Management Education Center, Room 103, 811 West Square Lake Road, Troy, Michigan, on Wednesday, May 15, 2002, at 10:00 a.m., Eastern Daylight Time, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. We are mailing this proxy statement and proxy to you on or about _____, 2002.

It is important that your shares be represented at the annual meeting. If you do not plan to attend the annual meeting, please sign and date the enclosed proxy and return it to us. The proxy is solicited by our Board of Directors. Shares represented by valid proxies in the enclosed form will be voted if received in time for the annual meeting. We will pay the expenses that we incur in connection with soliciting proxies, including the costs of soliciting proxies by mail or by having our directors, officers and employees contact shareholders. We will reimburse brokers or other nominees for the expenses that they incur in forwarding proxy materials to principals. If you give a proxy, you may revoke it any time before the proxy is voted.

Voting Securities and Principal Holders

Only holders of record of shares of common stock, \$.01 par value (the Common Stock), at the close of business on March 18, 2002 (the Record Date) are entitled to notice of, and to vote at, the annual meeting or at any adjournment or adjournments of the annual meeting. Each share of Common Stock has one vote. On the Record Date, [60,565,191] shares of Common Stock were issued and outstanding.

The following table provides information regarding persons whom we know to beneficially own more than five percent of outstanding Common Stock:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Outstanding Shares of Common Stock as of the Record Date
William J. Pulte 33 Bloomfield Hills Parkway, Suite 200 Bloomfield Hills, MI 48304	9,922,445(a)	[16.38]
Neuberger Berman, LLC 605 Third Avenue New York, NY 10158	4,310,140(b)	[7.11]
FMR Corp. 82 Devonshire Street Boston, MA 02109	4,616,692(c)	[7.62]

- (a) Includes (i) 249,200 shares of Common Stock that Mr. Pulte has the right to acquire within 60 days of the Record Date pursuant to our stock option plans, (ii) 789,930 shares of Common Stock that Mr. Pulte owns jointly with his wife, (iii) 9,637,825 shares of Common Stock that are owned by various testamentary trusts of which Mr. Pulte is the sole trustee and income beneficiary, and (iv) 35,419 shares of Common Stock representing Mr. Pulte's share of Common Stock held by the Pulte Homes, Inc. Stock Fund of the Pulte Homes, Inc. Investment Savings Plus Plan (401(k) plan) as of the Record Date. Mr. Pulte has voting power but not investment power with respect to 29 of the shares of Common Stock held by the Pulte Homes, Inc. Stock Fund. Mr. Pulte owns units of the Pulte Homes, Inc. Stock Fund, which consists of cash and Common Stock in amounts that vary from time to time.

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- (b) This information is derived from a Schedule 13G filed by Neuberger Berman, Inc. on February 12, 2002. According to the Schedule 13G, Neuberger Berman, LLC has sole voting power over 2,964,340 shares of Common Stock and shared dispositive power over 4,310,140 shares of Common Stock. Neuberger Berman, LLC disclaims beneficial ownership of an additional 462,300 shares of Common Stock which are owned by employees of Neuberger Berman, LLC and its affiliate, Neuberger Berman Management, Inc.
- (c) This information is based on a Schedule 13G filed by FMR Corp. dated February 14, 2002. According to the Schedule 13G, FMR Corp. has sole voting power over 582,472 shares of Common Stock and sole power to dispose or direct the disposition of 4,616,692 shares of Common Stock.

Table of Contents**I. ELECTION OF DIRECTORS**

Our Board of Directors proposes that (a) D. Kent Anderson, Mark J. O'Brien, John J. Shea and William B. Smith be elected as directors to hold office until the annual meeting of our shareholders in 2005, (b) Michael E. Rossi be elected as a director to hold office until the annual meeting of our shareholders in 2004, and (c) Bernard W. Reznicek be elected as a director to hold office until the annual meeting of our shareholders in 2003, or, in each case, until his successor is elected and qualified.

The persons named in the accompanying proxy intend to vote all valid proxies received by them for the election of the nominees proposed by our Board of Directors, unless such proxies are marked to the contrary. The four nominees for a term expiring in 2005 and the nominees for terms expiring in 2003 and 2004 receiving the greatest number of votes cast at the meeting or its adjournment will be elected. Abstentions, withheld votes and broker non-votes will not be deemed votes cast in determining which nominees receive the greatest number of votes cast, but they will be counted for purposes of determining whether a quorum is present. If a nominee is unable or declines to serve, which we do not anticipate to occur, the proxy holder will vote the proxies in accordance with his best judgment. The following table provides information regarding (a) each nominee for election as a director, (b) each director whose term of office as a director will continue after the annual meeting, (c) each executive officer named in the Summary Compensation Table below, and (d) all named directors and all executive officers as a group:

Name and Year First Became a Director	Age	Positions and Offices with Pulte and Other Principal Occupations	Shares of Our Common Stock Beneficially Owned as of the Record Date(a)	Percentage of Outstanding Shares of Our Common Stock Beneficially Owned as of the Record Date	Term to Expire
Nominees for Election as Directors					
D. Kent Anderson (2001)	60	Chairman of Beacon Management Corp.	18,975(b)	*	2005
Mark J. O'Brien (2001)	59	President and Chief Executive Officer of Pulte	234,116(c)	*	2005
John J. Shea (1995)	64	Retired Vice Chairman, President and Chief Executive Officer of Spiegel, Inc.	17,100(d)	*	2005
William B. Smith (2001)	58	Advisory Director of Morgan Stanley Dean Witter & Co.	4,900(e)	*	2005
Michael E. Rossi (2001)	57	Retired Vice Chairman of Bank of America	4,900(f)	*	2004
Bernard W. Reznicek(g)	65	National Director Special Markets of Central States Indemnity Company	418(g)	*	2003
Directors Continuing in Office					
Debra J. Kelly-Ennis (1997)	45	General Manager, General Motors Corporation	24,104(h)	*	2003
David N. McCammon (1997)	67	Senior Partner, Strength Capital Partners, L.L.C.	27,300(i)	*	2004
Patrick J. O'Meara (1999)	57	Chairman of Ann Arbor Acquisition Corporation	19,800(j)	*	2003
William J. Pulte (1956)	69	Chairman of the Board of Directors of Pulte	9,922,445(k)	[16.38]	2004

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Name and Year First Became a Director	Age	Positions and Offices with Pulte and Other Principal Occupations	Shares of Our Common Stock Beneficially Owned as of the Record Date(a)	Percentage of Outstanding Shares of Our Common Stock Beneficially Owned as of the Record Date	Term to Expire
Alan E. Schwartz (1972)	76	Partner of the law firm of Honigman Miller Schwartz and Cohn LLP, which firm serves as counsel to Pulte	48,300(l)	*	2003
Francis J. Sehn (1995)	83	Chairman of The Fran Sehn Company, Inc.	27,800(m)	*	2004
Other Executive Officers					
Roger A. Cregg	45	Senior Vice President and Chief Financial Officer of Pulte	132,819(n)	*	
Michael A. O'Brien	49	Senior Vice President Corporate Development of Pulte	195,147(o)	*	
John R. Stoller	53	Senior Vice President, General Counsel and Secretary of Pulte	195,583(p)	*	
All nominees for director, all continuing directors and all executive officers, as a group (18 persons)			11,019,267(q)	[18.19]	

* Less than 1%.

- (a) All of the directors and executive officers listed in this table have sole voting power and sole investment power with respect to the shares of Common Stock that they beneficially own, except as otherwise noted below.
- (b) Includes 18,075 shares of Common Stock that Mr. Anderson has the right to acquire within 60 days of the Record Date pursuant to our stock option plans.
- (c) Includes 149,277 shares of Common Stock that Mr. O'Brien has the right to acquire within 60 days of the Record Date pursuant to our stock option plans, and 3,957 shares of Common Stock representing Mr. O'Brien's share of Common Stock held by the Pulte Homes, Inc. Stock Fund of the Pulte Homes, Inc. Investment Savings Plus Plan (401(k) plan) as of the Record Date. Mr. O'Brien has voting power but not investment power with respect to 29 of the shares of Common Stock held by the Pulte Homes, Inc. Stock Fund. Mr. O'Brien owns units of the Pulte Homes, Inc. Stock Fund, which consists of cash and Common Stock in amounts that vary from time to time.
- (d) Includes 12,000 shares of Common Stock that Mr. Shea has the right to acquire within 60 days of the Record Date pursuant to our stock option plans.
- (e) Includes 4,000 shares of Common Stock that Mr. Smith has the right to acquire within 60 days of the Record Date pursuant to our stock option plans. In addition to the shares listed above, Mr. Smith has acquired phantom stock units that are to be settled in cash under the Pulte Homes, Inc. Deferred Compensation Agreement for Non-Employee Directors. As of the Record Date, Mr. Smith owned 942 phantom stock units under these agreements.
- (f) Includes 4,000 shares of Common Stock that Mr. Rossi has the right to acquire within 60 days of the Record Date pursuant to our stock option plans.
- (g) Mr. Reznicek is nominated for election for the first time at the annual meeting.

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- (h) Includes 20,000 shares of Common Stock that Ms. Kelly-Ennis has the right to acquire within 60 days of the Record Date pursuant to our stock option plans. In addition to the shares listed above, Ms. Kelly-Ennis has acquired phantom stock units that are to be settled in cash under Pulte Homes, Inc. Deferred Compensation Agreements for Non-Employee Directors. As of the Record Date, Ms. Kelly-Ennis owned 2,209 phantom stock units under these agreements.
- (i) Includes 20,000 shares of Common Stock that Mr. McCammon has the right to acquire within 60 days of the Record Date pursuant to our stock option plans, and 7,300 shares of Common Stock owned in a trust of which Mr. McCammon is a trustee and a beneficiary. In addition to the shares listed above, Mr. McCammon has acquired phantom stock units that are to be settled in cash under Pulte Homes, Inc. Deferred Compensation Agreements for Non-Employee Directors. As of the Record Date, Mr. McCammon owned 3,065 phantom stock units under these agreements.
- (j) Includes 12,000 shares of Common Stock that Mr. O Meara has the right to acquire within 60 days of the Record Date pursuant to our stock option plans, and 5,700 shares of Common Stock that Mr. O Meara owns jointly with his wife.
- (k) Includes 249,200 shares of Common Stock that Mr. Pulte has the right to acquire within 60 days of the Record Date pursuant to our stock option plans, 789,930 shares of Common Stock that Mr. Pulte owns jointly with his wife, 9,637,825 shares of Common Stock that are owned by various testamentary trusts of which Mr. Pulte is the sole trustee and income beneficiary, and 35,419 shares of Common Stock representing Mr. Pulte's share of Common Stock held by the Pulte Homes, Inc. Stock Fund of the Pulte Homes, Inc. Investment Savings Plus Plan (401(k) plan) as of the Record Date. Mr. Pulte has voting power but not investment power with respect to 29 of the shares of Common Stock held by the Pulte Homes, Inc. Stock Fund. Mr. Pulte owns units of the Pulte Homes, Inc. Stock Fund, which consists of cash and Common Stock in amounts that vary from time to time.
- (l) Includes 20,000 shares of Common Stock that Mr. Schwartz has the right to acquire within 60 days of the Record Date pursuant to our stock option plans.
- (m) Includes 16,000 shares of Common Stock that Mr. Sehn has the right to acquire within 60 days of the Record Date pursuant to our stock option plans. In addition to the shares listed above, Mr. Sehn has acquired phantom stock units that are to be settled in cash under Pulte Homes, Inc. Deferred Compensation Agreements for Non-Employee Directors. As of the Record Date, Mr. Sehn owned 6,115 phantom stock units under these agreements.
- (n) Includes 99,725 shares of Common Stock that Mr. Cregg has the right to acquire within 60 days of the Record Date pursuant to our stock option plans, 33,075 shares of Common Stock that Mr. Cregg owns jointly with his wife, and 19 shares of Common Stock representing Mr. Cregg's share of Common Stock held by the Pulte Homes, Inc. Stock Fund of the Pulte Homes, Inc. Investment Savings Plus Plan (401(k) plan) as of the Record Date. Mr. Cregg has voting power but not investment power with respect to 19 of the shares of Common Stock held by the Pulte Homes, Inc. Stock Fund. Mr. Cregg owns units of the Pulte Homes, Inc. Stock Fund, which consists of cash and Common Stock in amounts that vary from time to time.
- (o) Includes 168,183 shares of Common Stock that Mr. O'Brien has the right to acquire within 60 days of the Record Date pursuant to our stock option plans, 200 shares of Common Stock owned in a family trust of which Mr. O'Brien is a beneficiary, and 2,263 shares of Common Stock representing Mr. O'Brien's share of the Common Stock held by the Pulte Homes, Inc. Stock Fund of the Pulte Homes, Inc. Investment Savings Plus Plan (401(k) plan) as of the Record Date. Mr. O'Brien has voting power but not investment power with respect to 29 of the shares of Common Stock held by the Pulte Homes, Inc. Stock Fund. Mr. O'Brien owns units of the Pulte Homes, Inc. Stock Fund, which consists of cash and Common Stock in amounts that vary from time to time.
- (p) Includes 183,482 shares of Common Stock that Mr. Stoller has the right to acquire within 60 days of the Record Date pursuant to our stock option plans, and 1,165 shares representing Mr. Stoller's share of Common Stock held by the Pulte Homes, Inc. Stock Fund of the Pulte Homes, Inc. Investment Savings Plus Plan (401(k) plan) as of the Record Date. Mr. Stoller has voting power but not investment power with respect to 29 of the shares of Common Stock held by the Pulte Homes, Inc. Stock Fund. Mr. Stoller

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owns units of the Pulte Homes, Inc. Stock Fund, which consists of cash and Common Stock in amounts that vary from time to time.

- (q) Includes 1,076,087 shares of Common Stock that directors and executive officers have the right to acquire within 60 days of the Record Date pursuant to our stock option plans, 828,705 shares owned jointly with spouses, the shares owned by various trusts referenced in (i), (k) and (o) above, and 47,945 shares of Common Stock representing the executive officers' share of Common Stock held by the Pulte Homes, Inc. Stock Fund of the Pulte Homes, Inc. Investment Savings Plus Plan (401(k) plan) as of the Record Date. The executive officers have voting power but not investment power with respect to 196 of the shares of Common Stock held by the Pulte Homes, Inc. Stock Fund. They own units of the Pulte Homes, Inc. Stock Fund, which consists of cash and Common Stock in amounts that vary from time to time. In addition to the shares listed above, directors owned 12,331 phantom stock units as of the Record Date as referenced in (e), (h), (i) and (m) above.

Section 16(a) Beneficial Ownership Reporting Compliance

Gregory M. Nelson, a Vice President of Pulte, inadvertently filed a late report on February 4, 2001 with respect to the grant of options to purchase 5,000 shares of Common Stock, pursuant to our 2000 Stock Incentive Plan for Key Employees. The late filing was due to an error in the notice we provided to Mr. Nelson regarding the number of options which we granted to him in December 2000.

A report related to the grant of options (an exempt transaction) to our executive officers, Mark J. O'Brien, Roger A. Cregg, Michael A. O'Brien, John R. Stoller, Vincent J. Frees, Gregory M. Nelson and Bruce E. Robinson was inadvertently filed late on March 13, 2002.

Other Information Relating To Directors

The following is a brief account of the business experience during the past five years of each member or nominee of our Board of Directors:

Mr. Anderson has been Chairman of Beacon Management Corp., an investment capital firm, since April 2001. Prior to that, he was Executive Banking Officer and Special Consultant to the Chairman of Compass Bank since 1996.

Ms. Kelly-Ennis has been a General Manager of General Motors Corporation since May 2000. Previously, she was Brand Manager, Truck Division, of General Motors Corporation since March 1999. Prior to that, she was Vice President and General Manager of the Household Products Division of Sunbeam Corporation since 1998. Prior to that, she was Senior Vice President, Marketing, of Gerber Products Company, a division of Novartis Corporation, since 1995.

Mr. McCammon has been Senior Partner of Strength Capital Partners, L.L.C., an investment capital fund, since June 2000. Previously, he was Vice President of Finance of Ford Motor Company until his retirement in 1997.

Mr. O'Brien has been our Chief Executive Officer since December 2001 and our President since January 1999. Before that, Mr. O'Brien was our Executive Vice President and Chief Operating Officer since 1997 and served in various capacities with our homebuilding subsidiaries since 1980.

Mr. O'Meara is the Chairman of Ann Arbor Acquisition Corporation, which owns and operates the Ann Arbor Railroad.

Mr. Pulte was appointed Chairman of our Board of Directors in December 2001. Prior to that, he served as Chairman of the Executive Committee of our Board of Directors (since January 1999) and Chairman of our Board of Directors from January 1991 until January 1999. Mr. Pulte served as Co-Chairman of the Executive Committee of our Board of Directors from April 1990 through March 1995.

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Mr. Reznicek has been National Director - Special Markets, Central States Indemnity Company, a specialty insurance company that is a member of the Berkshire Hathaway Insurance Group, since January 1997. Mr. Reznicek is a director of CSG Systems International, Inc. and State Street Corporation.

Mr. Rossi was Vice Chairman of Bank America until his retirement in 1997.

Mr. Schwartz is a partner of the law firm of Honigman Miller Schwartz and Cohn LLP, Detroit, Michigan, which serves as counsel to Pulte and its subsidiaries. We expect to continue to retain Honigman Miller Schwartz and Cohn LLP in the current fiscal year.

Mr. Sehn is the Chairman of The Fran Sehn Company, Inc., an international engineering consulting service company.

Mr. Shea was Vice Chairman of the Board of Directors, President and Chief Executive Officer of Spiegel, Inc., an international multichannel specialty retailer, until his retirement in 1998. Mr. Shea is a director of Fotoball USA, Inc.

Mr. Smith has been an Advisory Director of Morgan Stanley & Co. Incorporated since July 2000. Previously, he was Managing Director and Head of Morgan Stanley Realty since May 1997. Prior to that, he was Executive Vice President and Head of Investment Banking of Dean Witter Reynolds Inc.

During 2001, our Board of Directors held nine meetings and acted by written consent on eight other occasions.

Committees of the Board of Directors

Our Board of Directors has standing audit, compensation and nominating committees.

The current members of our Audit Committee are Debra J. Kelly-Ennis, Patrick J. O'Meara, Michael E. Rossi and David N. McCammon (Chairman). The functions of the Audit Committee and its activities during 2001 are described below under the heading *Report of the Audit Committee*. The Audit Committee is governed by a written charter that was adopted by our Board of Directors. During 2001, the Board of Directors examined the composition of the Audit Committee and confirmed that all members of the Audit Committee are independent within the meaning of the New York Stock Exchange's rules governing audit committees. In 2001, the Audit Committee met six times and had informal discussions in lieu of additional meetings.

The current members of our Compensation Committee are D. Kent Anderson, Francis J. Sehn, William B. Smith and John J. Shea (Chairman). The duties of the Compensation Committee include (a) establishing compensation arrangements for key executives and directors, as authorized by our Board of Directors; (b) recommending to the Board of Directors compensation plans in which officers or directors are eligible to participate; and (c) administering our long-term compensation and stock option plans, including granting of options under the plans. During 2001, the Compensation Committee met six times and had informal discussions in lieu of additional meetings.

The current members of our Nominating Committee are David N. McCammon, Francis J. Sehn and Debra J. Kelly-Ennis (Chairman). The Nominating Committee is responsible for (a) soliciting recommendations for candidates for our Board of Directors; (b) developing and reviewing background information for candidates; (c) making recommendations to the Board of Directors regarding such candidates; and (d) reviewing and making recommendations to the Board with respect to candidates for directors proposed by shareholders. The Nominating Committee will consider nominees for directors recommended by shareholders if such nominations are made in accordance with our Bylaws. Shareholders desiring to recommend nominees for directors for the Annual Meeting to be held in 2003 should submit such recommendations to the Chairman of the Board at 33 Bloomfield Hills Parkway, Suite 200, Bloomfield Hills, Michigan 48304, no later than March 14, 2003. During 2001, the Nominating Committee met four times and had informal discussions in lieu of additional meetings.

Table of Contents**Compensation of Executive Officers and Directors***Summary Compensation Table*

The following table provides information for each of the fiscal years ended December 31, 2001, 2000 and 1999 concerning the compensation of our Chief Executive Officer and of each of the other four of our most highly compensated executive officers whose total annual salary and bonus exceeded \$100,000:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long Term Compensation		All Other Compensation(\$)
		Salary(\$)	Bonus(\$)	Other Annual Compensation(\$)	Awards Shares Underlying Options(#)	Payouts LTIP Payouts (\$)	
William J. Pulte(a) Chairman of the Executive Committee of the Board	2001	800,000	3,200,000	-0-	-0-	-0-	1,500(g)
	2000	700,000	2,300,000	-0-	-0-	-0-	1,500(g)
	1999	625,000	1,600,000	-0-	-0-	-0-	1,500(g)
Robert K. Burgess(a) Chairman of the Board and Chief Executive Officer	2001	800,000	3,200,000	230,000(b)	60,000	-0-	76,959(h)
	2000	700,000	2,300,000	-0-	384,092	12,999,829(c)	38,298(i)
	1999	625,000	1,600,000	-0-	250,000	-0-	14,915(i)
Mark J. O'Brien(a) President and Chief Executive Officer	2001	525,000	1,807,901	-0-	159,840	-0-	48,870(j)
	2000	450,000	1,256,401	-0-	136,858	3,434,796(d)	30,922(j)
	1999	425,000	972,611	-0-	90,000	-0-	1,500(g)
Roger A. Cregg Senior Vice President and Chief Financial Officer	2001	390,000	894,000	-0-	172,161	-0-	5,099(k)
	2000	345,000	684,000	-0-	87,387	75,000(d)	3,268(k)
	1999	325,000	507,000	-0-	60,000	-0-	57,200(l)
Michael A. O'Brien Senior Vice President Corporate Development	2001	340,000	760,000	-0-	139,685	-0-	6,868(m)
	2000	280,000	600,000	-0-	83,000	1,364,277(e)	4,766(m)
	1999	265,000	321,604	-0-	43,000	-0-	1,500(g)
John R. Stoller Senior Vice President, General Counsel and Secretary	2001	230,000	280,000	-0-	62,396	-0-	4,911(n)
	2000	220,000	256,000	-0-	44,000	1,072,436(f)	3,593(n)
	1999	210,000	192,790	-0-	30,000	-0-	1,500(g)

(a) Mr. Burgess retired on December 30, 2001 and resigned from all of his positions with us. On December 31, 2001, Mr. Pulte became Chairman of our Board, and Mr. O'Brien became our Chief Executive Officer. Mr. O'Brien will continue to serve as our President.

(b) The amount shown represents interest accrued at a rate of ten percent per annum on the \$2,300,000 bonus which Mr. Burgess earned in 2000 but deferred until 2001.

(c) The amount shown represents (i) \$8,742,975 from profits realized on sales of Common Stock following exercise of stock options with respect to such Common Stock, which stock options had been granted between 1991 and 1995 and in 2000; and (ii) \$4,256,854 awarded pursuant to our Long-Term Compensation Plan for achieving specific economic profit, pre-tax income and other performance targets for the four year period from 1996 through 1999.

(d) The amount shown represents the amount awarded to the recipient pursuant to our Long-Term Compensation Plan for achieving specific economic profit, pre-tax income and other performance targets for the four year period from 1996 through 1999.

(e)

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The amount shown represents (i) \$503,301 from profits realized on sales of Common Stock following exercise of stock options which had been granted in 1994 and 1995; and (ii) \$860,976 awarded pursuant to our Long-Term Compensation Plan for achieving specific economic profit, pre-tax income and other performance targets for the four year period from 1996 through 1999.

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- (f) The amount shown represents (i) \$291,807 from profits realized on sales of Common Stock following exercise of stock options which had been granted between 1993 and 1995; and (ii) \$780,629 awarded pursuant to our Long-Term Compensation Plan for achieving specific economic profit, pre-tax income and other performance targets for the four-year period from 1996 through 1999.
- (g) The amount shown represents matching contributions we made for the executive officer under our 401(k) Plan.
- (h) The amount shown includes (i) \$1,500 in matching contributions that we made for Mr. Burgess under our 401(k) Plan, (ii) \$49,346 representing the dollar value attributable to the term insurance and non-insurance cash value benefits associated with the split-dollar life insurance policy maintained for Mr. Burgess, and (iii) \$26,113 representing the actual cost of gifts that we gave Mr. Burgess upon his retirement.
- (i) The amount shown includes \$1,500 in matching contributions that we made for Mr. Burgess for each year under our 401(k) Plan and the balance (\$36,798 in 2000 and \$13,415 in 1999) represents the dollar value attributable to the term insurance and non-insurance cash value benefits associated with the split-dollar life insurance policy maintained for Mr. Burgess.
- (j) The amount shown includes \$1,500 in matching contributions that we made for Mr. O Brien for such year under our 401(k) Plan and the balance (\$47,370 in 2001 and \$29,422 in 2000) represents the dollar value attributable to the term insurance and non-insurance cash value benefits associated with the split-dollar life insurance policy maintained for Mr. O Brien.
- (k) The amount shown includes matching contributions (\$1,200 in 2001 and \$900 in 2000) that we made for Mr. Cregg for such year under our 401(k) Plan and the balance (\$3,899 in 2001 and \$2,368 in 2000) represents the dollar value attributable to the term insurance and non-insurance cash value benefits associated with the split-dollar life insurance policy maintained for Mr. Cregg.
- (l) The amount shown includes \$600 in matching contributions that we made for Mr. Cregg for such year under our 401(k) Plan and \$56,600 we paid to him in 1999 as a reimbursement in connection with his relocation in 1998.
- (m) The amount shown includes \$1,500 in matching contributions that we made for Mr. O Brien for such year under our 401(k) Plan and the balance (\$5,368 in 2001 and \$3,266 in 2000) represents the dollar value attributable to the term insurance and non-insurance cash value benefits associated with the split-dollar life insurance policy maintained for Mr. O Brien.
- (n) The amount shown includes \$1,500 in matching contributions that we made for Mr. Stoller for such year under our 401(k) Plan and the balance (\$3,411 in 2001 and \$2,093 in 2000) represents the dollar value attributable to the term insurance and non-insurance cash value benefits associated with the split-dollar life insurance policy maintained for Mr. Stoller.

Table of Contents*Option Grants in Last Fiscal Year Table*

The following table sets forth information concerning individual grants of stock options that we made during the fiscal year ended December 31, 2001 to each of the executive officers named in the Summary Compensation Table above:

OPTION GRANTS IN LAST FISCAL YEAR

Name	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
	Shares Underlying Options Granted(#)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price (\$/Sh)	Expiration Date	5%(\$)	10%(\$)
	William J. Pulte	0	0			
Robert K. Burgess	60,000	3.97	34.27	02/28/11	1,293,300	3,277,500
Mark J. O'Brien	78,000	5.16	37.11	09/06/11	1,820,520	4,612,950
	100,000	6.62	43.65	12/13/11	2,745,000	6,957,000
	30,580	2.02	36.63	12/13/05	295,709	649,825
	17,580	1.16	36.63	01/04/09	302,903	723,241
	23,680	1.57	34.28	02/28/11	510,541	1,293,638
Roger A. Cregg	60,000	3.97	37.11	09/06/11	1,400,400	3,548,400