

LENNAR CORP /NEW/
Form 424B3
August 31, 2006

Table of Contents

Filed Pursuant to Rule 424(b)3
Registration No. 333-136752

PROSPECTUS

Offer to Exchange

**Any and all outstanding Series A 6.50% Senior Notes due 2016,
\$250,000,000 aggregate principal amount outstanding,
for Series B 6.50% Senior Notes due 2016.**

**The exchange offer and withdrawal rights
will expire at 5:00 p.m., New York City time,
on October 2, 2006, unless we extend the exchange offer.**

We are offering to exchange our Series B 6.50% Senior Notes due 2016 for the identical principal amounts of our outstanding Series A 6.50% Senior Notes due 2016. The aggregate principal amount at maturity of the Series A Notes, and therefore the aggregate principal amount of Series B Notes that would be issued if all the Series A Notes are exchanged, is \$250,000,000. The terms of the Series B Notes will be identical with the terms of the Series A Notes, except that the issuance of the Series B Notes is being registered under the Securities Act of 1933, as amended.

We issued the Series A Notes on April 26, 2006 in a transaction that was exempt from the registration requirements of the Securities Act. This exchange offer is being made in accordance with a Registration Rights Agreement dated April 26, 2006 among the initial purchasers of the Series A Notes and us.

The Series A Notes are, and the Series B Notes, when issued, will be, our senior, unsecured and unsubordinated obligations and rank equally with all of our other senior, unsecured and unsubordinated indebtedness outstanding from time-to-time. All of our wholly-owned subsidiaries, other than our finance company subsidiaries and foreign subsidiaries, will guarantee the Notes, although the guarantees may be suspended under limited circumstances. The registration statement of which this prospectus forms a part registers the guarantees as well as the Series B Notes.

Before the exchange offer, there has been no public market for the Series B Notes. We do not currently intend to list the Series B Notes on a securities exchange or seek approval for quotation of the Series B Notes on an automated quotation system. Therefore, it is unlikely that an active trading market for the Series B Notes will develop. We will receive no proceeds from the exchange offer.

The exchange agent for the exchange offer is J.P. Morgan Trust Company, National Association. This prospectus and the accompanying letter of transmittal are being mailed to holders of Series A Notes on or about August 30, 2006.

Investment in the Series B Notes to be issued in the exchange offer involves risks. You should carefully read the Risk Factors section, which begins on page 6 of this document, before you exchange your Series A Notes.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 30, 2006.

Table of Contents

Each broker-dealer that receives Series B Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Series B Notes. This prospectus, as it may be amended or supplemented from time-to-time, may be used by a broker-dealer in connection with sales of Series B Notes received in exchange for Series A Notes that were acquired as a result of market-making activities or other trading activities. We have agreed that, starting on the day the exchange offer expires and ending at the close of business on the first anniversary of that date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until October 9, 2006 all dealers effecting transactions in the Series B Notes may be required to deliver a prospectus.

No person has been authorized to give any information or to make any representations, other than those contained in this prospectus. If given or made, that information or those representations may not be relied upon as having been authorized by us. This prospectus does not constitute an offer to or solicitation of any person in any jurisdiction in which such an offer or solicitation would be unlawful.

FORWARD-LOOKING INFORMATION

Some of the statements in this prospectus and the documents incorporated by reference into this prospectus are forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding this exchange offer, as well as our business, financial condition, results of operations, cash flows, strategies and prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those described under the caption **Risk Factors** in this prospectus, those described under the caption **Risk Factors Relating to Our Business** in our Annual Report on Form 10-K/A for our fiscal year ended November 30, 2005, which is incorporated into this prospectus by reference, and other factors that may be included in our other filings with the Securities and Exchange Commission. We do not undertake any obligation to update forward-looking statements.

Table of Contents

SUMMARY

This summary highlights information contained elsewhere in this prospectus or in documents incorporated in this prospectus. It does not contain all the information you should consider before deciding whether to exchange Series A 6.50% Senior Notes for Series B 6.50% Senior Notes. You should read the entire prospectus.

LENNAR

We are one of the nation's largest homebuilders and a provider of financial services. Our homebuilding operations include the sale and construction of single-family attached and detached homes, and to a lesser extent condominium units, as well as the purchase, development and sale of residential land directly and through unconsolidated entities in which we have investments. Our financial services operations provide mortgage financing, title insurance, closing services and insurance agency services for both buyers of our homes and others. We sell substantially all of the loans that we originate in the secondary mortgage market. Through our financial services operations, we also provide high-speed Internet and cable television services to residents of communities we develop and to others.

We are a Delaware corporation. Our principal offices are at 700 Northwest 107th Avenue, Miami, Florida 33172. Our telephone number at these offices is (305) 559-4000. Our website address is www.lennar.com. The information on our website is not part of this prospectus.

The following is a summary of our growth history:

- 1954:** We were founded as a local Miami homebuilder.
- 1969:** We began developing, owning and managing commercial and multi-family residential real estate.
- 1971:** We completed our initial public offering.
- 1972:** Our common stock was listed on the New York Stock Exchange. We also entered the Arizona homebuilding market.
- 1986:** We acquired Development Corporation of America in Florida.
- 1991:** We entered the Texas homebuilding market.
- 1992:** We expanded our commercial operations by acquiring, through a joint venture, a portfolio of loans, mortgages and properties from the Resolution Trust Corporation.
- 1995:** We entered the California homebuilding market through the acquisition of Bramalea California, Inc.
- 1996:** We expanded in California through the acquisition of Renaissance Homes, and significantly expanded operations in Texas with the acquisitions of the assets and operations of both Houston-based Village Builders and Friendswood Development Company, and acquired Regency Title.
- 1997:** We completed the spin-off of our commercial real estate investment business to LNR Property Corporation. We continued our expansion in California through homesite acquisitions and investments in unconsolidated entities. We also acquired Pacific Greystone Corporation, which further expanded our

operations in California and Arizona and brought us into the Nevada homebuilding market.

- 1998:** We acquired the properties of two California homebuilders, ColRich Communities and Polygon Communities, acquired a Northern California homebuilder, Winncrest Homes, and acquired North American Title with operations in Arizona, California and Colorado.
- 1999:** We acquired Eagle Home Mortgage with operations in Nevada, Oregon and Washington and Southwest Land Title in Texas.
- 2000:** We acquired U.S. Home Corporation, which expanded our operations into New Jersey, Maryland, Virginia, Minnesota, Ohio and Colorado and strengthened our position in other states. We expanded our title operations in Texas through the acquisition of Texas Professional Title.

Table of Contents

- 2002:** We acquired Patriot Homes, Sunstar Communities, Don Galloway Homes, Genesee Company, Barry Andrews Homes, Cambridge Homes, Pacific Century Homes, Concord Homes and Summit Homes, which expanded our operations into the Carolinas and the Chicago, Baltimore and Central Valley, California homebuilding markets and strengthened our position in several existing markets. We also acquired Sentinel Title with operations in Maryland and Washington, D.C.
- 2003:** We acquired Seppala Homes and Coleman Homes, which expanded our operations in South Carolina and California. We also acquired Mid America Title in Illinois.
- 2004:** We acquired The Newhall Land and Farming Company through an unconsolidated entity of which we and LNR Property Corporation each owns 50%. We expanded into the San Antonio, Texas homebuilding market by acquiring the operations of Connell-Barron Homes and entered the Jacksonville, Florida homebuilding market by acquiring the operations of Classic American Homes. Through acquisitions, we also expanded our mortgage operations in Oregon and Washington. We expanded our title and closing operations into Minnesota through the acquisition of Title Protection, Inc.
- 2005:** We entered the metropolitan New York City and Boston markets by acquiring, directly and through a joint venture, rights to develop a portfolio of properties in New Jersey facing mid-town Manhattan and waterfront properties near Boston. We also entered the Reno, Nevada market and then expanded in Reno through the acquisition of Barker Coleman. We expanded our presence in Jacksonville through the acquisition of Admiral Homes.

In March 2006, we entered into an Issuing and Paying Agent Agreement relating to up to \$2.0 billion aggregate principal amount of commercial paper notes that we may issue and reissue from time-to-time. Issuances of commercial paper notes will reduce the amount we can borrow under our credit facility.

In July 2006, we entered into a new unsecured revolving credit facility that provides us with up to \$2.7 billion of financing. The credit facility also provides us with access to an additional \$500 million of financing through an accordion feature, subject to additional commitments, for a maximum aggregate availability under the facility of \$3.2 billion. The credit facility replaced our prior \$2.2 billion credit facility and matures in July 2011.

ISSUANCE OF THE SERIES A NOTES

On April 26, 2006, we sold \$250 million aggregate principal amount of Series A 6.50% Senior Notes due 2016 (the Series A Notes) to initial purchasers in a transaction that was exempt from the registration requirements of the Securities Act. The initial purchasers subsequently resold the Series A Notes in reliance on Rule 144A or other exemptions under the Securities Act. We entered into a Registration Rights Agreement with the initial purchasers, pursuant to which we agreed to exchange registered Series B 6.50% Senior Notes due 2016 (Series B Notes, and together with the Series A Notes, the Notes) for the Series A Notes and also granted holders of Series A Notes rights under certain circumstances to have resales of Series A Notes registered under the Securities Act. The exchange offer made by this prospectus is intended to satisfy our principal obligations under the Registration Rights Agreement.

We issued the Series A Notes under an Indenture dated April 26, 2006, between us and J.P. Morgan Trust Company, National Association, as trustee. The Series B Notes will also be issued under that Indenture and will be entitled to the benefits of the Indenture. The form and terms of the Series B Notes will be identical in all material respects with the form and terms of the Series A Notes, except that (1) the Series B Notes will have been registered under the Securities Act and, therefore, the global certificate (and any individual certificates) will not bear legends describing restrictions on transferring the Series B Notes represented by such global certificates, and (2) holders of Series B Notes will not be, and upon the consummation of the exchange offer, holders of Series A Notes will no longer be, entitled to rights

under the Registration Rights Agreement.

The proceeds we received from the issuance of the Series A Notes were used for general corporate purposes. We will receive no proceeds from the exchange of the Series B Notes for the Series A Notes pursuant to the exchange offer.

Table of Contents

THE EXCHANGE OFFER

The Exchange Offer

We are offering to exchange our Series B 6.50% Senior Notes due 2016, for identical principal amounts of our outstanding Series A 6.50% Senior Notes due 2016. At the date of this prospectus, \$250 million aggregate principal amount of Series A 6.50% Senior Notes are outstanding.

Expiration of Exchange Offer

5:00 p.m., New York time on October 2, 2006, unless we extend the exchange offer. In this document, we refer to the date the exchange offer will expire as the expiration date.

Conditions of the Exchange Offer

The exchange offer is not conditioned upon any minimum principal amount of Series A Notes being tendered for exchange. The only condition to the exchange offer is that we not be advised that completion of the exchange offer would, or might, be unlawful.

Accrued Interest on the Series A Notes

Interest on Series A Notes that are exchanged will cease to accrue on the last interest payment date before the day on which Series B Notes are issued in exchange for them. However, Series B Notes issued in exchange for Series A Notes will bear interest from the last interest payment date before the day on which they are issued in exchange for the Series A Notes. Therefore, exchanging Series A Notes for Series B Notes will not affect the amount of interest a holder will receive.

Interest on the Series B Notes

Interest on the Series B Notes will be paid on June 15 and December 15 of each year, beginning December 15, 2006.

Procedures for Tendering Series A Notes

A holder of Series A Notes who wishes to accept the exchange offer must:

- (1) complete, sign and date a letter of transmittal, or a facsimile of one, in accordance with the instructions contained under The Exchange Offer Procedures for Tendering Notes and in the letter of transmittal, and
- (2) deliver the letter of transmittal, or facsimile, together with the Series A Notes and any other required documentation to the exchange agent at the address set forth in The Exchange Offer Exchange Agent.

Series A Notes must be delivered by confirmation of book-entry delivery of the Series A Notes to the exchange agent's account at The Depository Trust Company (DTC).

Guaranteed Delivery Procedures

Eligible holders of Series A Notes who wish to tender their Series A Notes, but who cannot deliver their Series A Notes or any other documents required by the letter of transmittal to the exchange agent before the expiration date (or complete the procedure for book-entry transfer on a timely basis) may tender their Series A Notes according to the guaranteed delivery procedures described in the letter of transmittal.

Table of Contents

Acceptance of Series A Notes and Delivery of Series B Notes

Unless we are advised that it would, or might, be unlawful for us to do so, we will accept any and all Series A Notes that are properly tendered and not properly withdrawn in response to the exchange offer, before 5:00 p.m., New York City time, on the expiration date. The Series B Notes issued pursuant to the exchange offer will be delivered promptly after acceptance of the Series A Notes.

Withdrawal Rights

Tenders of Series A Notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date.

Material U.S. Federal Income Tax Consequences

For U.S. federal income tax purposes, the exchange of Series A Notes for Series B Notes should not be considered a sale or exchange or otherwise taxable event to the holders of the Series A Notes. You should consult with your tax advisor regarding your particular situation.

The Exchange Agent

J.P. Morgan Trust Company, National Association is the exchange agent. The address and telephone number of the exchange agent are set forth under the caption "The Exchange Offer Exchange Agent" in this document.

Fees and Expenses

We will bear the expense of soliciting tenders pursuant to the exchange offer. We will also pay any transfer taxes that are applicable to the exchange of Series A Notes for Series B Notes pursuant to the exchange offer.

Resales of the Series B Notes

Based on interpretations by the staff of the SEC set forth in no-action letters issued to third parties, we believe that a person who receives Series B Notes issued pursuant to the exchange offer (other than (1) a broker-dealer who purchased the Series A Notes directly from us for resale pursuant to Rule 144A under the Securities Act or another exemption under the Securities Act or (2) a person that is an affiliate of ours, as that term is defined in Rule 405 under the Securities Act), may sell the Series B Notes without registration or the need to deliver a prospectus under the Securities Act, provided that person has no arrangement to participate in a distribution of the Series B Notes. Each broker-dealer that receives Series B Notes for its own account in exchange for Series A Notes that were acquired by the broker as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the Series B Notes.

Consequences of Not Exchanging the Series A Notes

If you do not exchange your Series A Notes, the existing transfer restrictions on the Series A Notes will continue to apply. Because we anticipate that most holders will elect to exchange their Series A Notes for Series B Notes due to the absence of restrictions on the resale of Series B Notes under the Securities Act, we anticipate that the market for any Series A Notes that remain outstanding after the consummation of the exchange offer will be substantially limited.

Table of Contents

THE SERIES B NOTES

The exchange offer applies to \$250 million aggregate principal amount of Series A Notes outstanding. The terms of the Series B Notes are identical in all material respects with those of the Series A Notes, except for certain transfer restrictions and registration rights relating to the Series A Notes. The Series B Notes will evidence the same debt as the Series A Notes and will be entitled to the benefits of the indenture under which both the Series A Notes were, and the Series B Notes will be, issued.

| | |
|------------------------------|---|
| Securities Offered | \$250,000,000 aggregate principal amount of Series B 6.50% Senior Notes due 2016. |
| Maturity Date | April 15, 2016. |
| Interest Payment Dates | June 15 and December 15 of each year, beginning on December 15, 2006. |
| Sinking Fund | None. |
| Ranking | The Series B Notes are our senior, unsecured and unsubordinated obligations and rank equally with all of our other senior, unsecured and unsubordinated indebtedness from time-to-time outstanding. The Series B Notes are effectively subordinated to the obligations of our subsidiaries who are not guarantors and to our obligations that are secured to the extent of the assets securing those obligations. As of May 31, 2006, we and our guarantor company subsidiaries had \$35.9 million of secured indebtedness and our subsidiaries that are not guarantors (including our finance company subsidiaries) had \$1.2 billion of indebtedness. |
| Guarantees | All of our wholly-owned subsidiaries, other than our finance company subsidiaries and foreign subsidiaries, will guarantee the Series B Notes. The guarantees by our subsidiaries may be suspended under certain limited circumstances. See Description of the Notes The Guarantees. |
| Redemption at our Option | We may redeem any or all of the Series B Notes at any time at a redemption price equal to the greater of (a) 100% of the principal amount of the Notes being redeemed or (b) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the comparable treasury rate plus 25 basis points, plus, in each case, accrued and unpaid interest on the Notes to the redemption date. |
| Certain Indenture Provisions | The Indenture governing the Series B Notes contains covenants limiting our and some of our subsidiaries ability to create liens securing indebtedness or enter into sale and leaseback transactions. These covenants are subject to important exceptions and qualifications. See Description of the Notes Certain Covenants. |
| Use of Proceeds | We will receive no proceeds from the exchange of Series A Notes for the Series B Notes pursuant to the exchange offer. |

Risk Factors

Investing in the Series B Notes involves risks. Before you exchange your Series A Notes, you should carefully read the Risk Factors section beginning on page 6 of this document for a description of risks you should particularly consider before exchanging Series A Notes for Series B Notes.

Table of Contents

RISK FACTORS

*In this section we describe risks relating to the exchange of Series A Notes for Series B Notes. Investors considering exchanging their Series A Notes for Series B Notes should also read the risks relating to our business, which are described in our Annual Report on Form 10-K/A for our fiscal year ended November 30, 2005, under the caption **Risk Factors Relating to Our Business** and in our subsequent filings with the SEC. If any of these risks develop into actual events, the exchange offer or our business, financial condition, results of operations, cash flows, strategies or properties could be materially adversely affected.*

Because the Series B Notes are structurally subordinated to the obligations of our subsidiaries that are not guarantors, you may not be fully repaid if we become insolvent.

Substantially all of our operating assets are held by our subsidiaries. Holders of any indebtedness or preferred stock of any of our subsidiaries that are not guarantors and other creditors of any of those subsidiaries, including trade creditors, have and will have access to the assets of those subsidiaries that are prior to those of the noteholders. As a result, the Series B Notes are structurally subordinated to the debts, preferred stock and other obligations of those subsidiaries.

Because the Series B Notes are unsecured, you may not be fully repaid if we become insolvent.

The Series B Notes will not be secured by any of our assets or by any assets of our subsidiaries. As of May 31, 2006, we and our guarantor subsidiaries had \$35.9 million of secured indebtedness outstanding and our subsidiaries that are not guarantors (including our finance company subsidiaries) had \$1.2 billion of indebtedness. If we become insolvent, the holders of any of our secured debt would receive payments from the assets securing that debt before you receive payments from sales of those assets.

There is no public market for the Series B Notes, so you may be unable to sell the Series B Notes.

The Series B Notes are new securities for which there is currently no public trading market. Consequently, the Series B Notes may be relatively illiquid, and you may be unable to sell your Series B Notes. We do not intend to list the Series B Notes on any securities exchange or to include the Series B Notes in any automated quotation system.

Fraudulent conveyance considerations.

Under fraudulent conveyance laws, the guarantees by our subsidiaries might be subordinated to existing or future indebtedness incurred by those subsidiaries, or might not be enforceable, if a court or a creditors representative, such as a bankruptcy trustee, concluded that those subsidiaries:

Received less than fair consideration for the guarantees;

Were rendered insolvent as a result of issuing the guarantees;

Were engaged in a business or transaction for which our subsidiaries' remaining assets constituted unreasonably small capital;

Intended to incur, or believed that we or they would incur, debts beyond our or their ability to pay as those debts matured; or

Intended to hinder, delay or defraud our or their creditors.

The measure of insolvency varies depending upon the laws of the relevant jurisdiction. Generally, however, a company is considered insolvent if its debts are greater than the fair value of its property, or if the fair saleable value of its assets is less than the amount that would be needed to pay its probable liabilities as its existing debts matured and became absolute.

The guarantees of the Series B Notes may terminate.

The principal reason our guarantor subsidiaries will guarantee the Series B Notes is so holders of the Series B Notes will have rights at least as great with regard to our subsidiaries as any other holders of a

Table of Contents

material amount of our unsecured debt. Therefore, the guarantees of the Series B Notes will remain in effect while the guarantor subsidiaries guarantee a material amount of the debt of Lennar Corporation, as a separate entity, to others. In addition to guaranteeing the Series A Notes, currently, the subsidiary guarantors are guaranteeing our principal revolving credit facility, commercial paper notes we issue, \$350 million principal amount of our 5.95% Senior Notes due 2013, \$250 million principal amount of our 5.50% Senior Notes due 2014, \$300 million principal amount of our Senior Floating-Rate Notes due 2009, \$282 million principal amount of our 75/8% Senior Notes due 2009, \$200 million principal amount of our Senior Floating-Rate Notes due 2007, \$500 million principal amount of our 5.60% Senior Notes due 2015, \$300 million principal amount of our 5.125% Senior Notes due 2010 and \$250 million principal amount of our 5.95% Senior Notes due 2011. However, the subsidiaries' guarantees of all of the notes, as well as the Series B Notes, will terminate with regard to any subsidiary while it is not guaranteeing at least \$75 million of our debt. Therefore, if our subsidiaries cease guaranteeing our obligations under our principal revolving credit facility, and are not guarantors of any new debt, the subsidiaries' guarantees of the Series B Notes will terminate until such time, if any, as they again are guaranteeing at least \$75 million of our debt, other than the Series B Notes. Accordingly, noteholders should anticipate that at some time in the future the Series B Notes may no longer be guaranteed by our subsidiaries.

If our guarantor subsidiaries are guaranteeing revolving credit lines totaling at least \$75 million, we will treat the guarantees of the Notes as remaining in effect even during periods when our borrowings under the revolving credit lines are less than \$75 million. Because it is possible that banks will permit some or all of our subsidiaries to stop guaranteeing the revolving credit facility, or that we will terminate our revolving credit facility (which we have discretion to do), it is possible that, at some time or times in the future, the Series B Notes will no longer be guaranteed by our subsidiaries.

There could be negative consequences to you if you do not exchange your Series A Notes for Series B Notes.

Holders who fail to exchange their Series A Notes for Series B Notes will continue to be subject to restrictions on transfer of the Series A Notes. Any Series A Notes tendered and exchanged in the exchange offer will reduce the aggregate principal amount of Series A Notes outstanding. Because we anticipate that most holders will elect to exchange the Series A Notes for Series B Notes due to the absence of restrictions on the resale of Series B Notes under the Securities Act, we anticipate that the market for Series A Notes that remain outstanding after the consummation of the exchange offer will be substantially limited. As a result of making the exchange offer, we will have fulfilled our obligations under the Registration Rights Agreement relating to the Series A Notes. Following the consummation of the exchange offer, holders who did not tender their Series A Notes generally will not have any further registration rights under the Registration Rights Agreement, and the Series A Notes that were not exchanged will continue to be subject to restrictions on transfer. The Series A Notes are currently eligible for resale under Rule 144A through the PORTAL market.

RATIO OF EARNINGS TO FIXED CHARGES

| | Six Months Ended May 31, | | Years Ended November 30, | | | | |
|--|--------------------------------|------|--------------------------|------|------|------|------|
| | 2006 | 2005 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Ratio of earnings to fixed charges (1) | 7.1x | 7.8x | 10.5x | 9.7x | 8.6x | 6.7x | 5.3x |

(1)

For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of income from continuing operations before income taxes plus fixed charges and certain other adjustments. Fixed charges consist of interest incurred on all indebtedness related to continuing operations (including amortization of original issue discount) and the implied interest component of our rent obligations.

There was no preferred stock outstanding for any of the periods shown above. Accordingly, the ratio of earnings to combined fixed charges and preferred stock dividends was identical to the ratio of earnings to fixed charges.

Table of Contents

USE OF PROCEEDS

We will not receive any proceeds from the issuance of Series B Notes in exchange for Series A Notes pursuant to the exchange offer. We used the net proceeds from the sale of the Series A Notes for general corporate purposes.

ABSENCE OF PUBLIC MARKET

The Series B Notes will be new securities for which there is no established trading market. We currently do not intend to list the Series B Notes on any securities exchange or to arrange for the Series B Notes to be quoted on any quotation system. Accordingly, it is not likely that an active trading market for the Series B Notes will develop or, if a market develops, that it will provide significant liquidity to holders of Series B Notes.

OTHER INDEBTEDNESS

Our indebtedness at May 31, 2006 is listed in the table in the section of this prospectus captioned Capitalization. None of that indebtedness, as described below, has any covenants that restrict our, or our subsidiaries', ability to make payments on outstanding indebtedness or to pay dividends, or requires us to maintain financial attributes. Our Senior Floating-Rate Notes due 2009, Senior Floating-Rate Notes due 2007, 75/8% Senior Notes due 2009, 5.60% Senior Notes due 2015, 5.95% Senior Notes due 2013, 5.50% Senior Notes due 2014, 5.125% Senior Notes due 2010 and 5.95% Senior Notes due 2011 all have covenants, similar to those in the indenture relating to the Notes, that limit our or our subsidiaries' ability to create liens securing indebtedness or enter into sale and leaseback transactions.

We have a structured letter of credit facility with a financial institution. The purpose of this letter of credit facility is to facilitate the issuance of up to \$200 million of letters of credit on a senior unsecured basis. In connection with the letter of credit facility, the financial institution issued \$200 million of their senior notes, which were linked to our performance on the letter of credit facility. If there is an event of default under the letter of credit facility, including our failure to reimburse a draw against an issued letter of credit, the financial institution would assign its claim against us, to the extent of the amount due and payable by us under the letter of credit facility, to its noteholders in lieu of their principal repayment on their performance-linked notes.

In July 2006, we entered into a new \$2.7 billion credit facility that replaced our prior credit facility. The credit facility matures in July 2011. It included an accordion feature under which the aggregate commitment under the facility could be increased to \$3.2 billion. Among other things, our credit facility provides that proceeds from the credit facility may be used to repay amounts outstanding under our commercial paper program, which is described below. Amounts outstanding under our credit facility are guaranteed by all of our wholly-owned subsidiaries other than finance company subsidiaries and foreign subsidiaries.

Our credit facility includes financial covenants which require, among other things, that

We maintain a debt to total capital ratio of less than or equal to 60%;

We maintain an interest coverage ratio of not less than 2.0 to 1.0;

We maintain a specified minimum consolidated tangible net worth; and

We limit the aggregate amount of our investments in and advances to other non-guarantor entities.

These covenants are described in the credit facility, which we have filed with the Securities and Exchange Commission. See [Where You Can Find More Information](#). From time-to-time, we may amend the terms of the credit facility or enter into new borrowing arrangements. Amendments to the credit facility may modify or eliminate some or all of the covenants or may add new covenants, and new borrowing arrangements may include covenants that are different from those currently in the credit facility.

At May 31, 2006, we had \$368.2 million of letters of credit outstanding that were collateralized against the borrowing capacity available under our credit facility.

In March 2006, we entered into an Issuing and Paying Agent Agreement relating to up to \$2 billion aggregate principal amount of commercial paper notes that we may issue and re-issue from time-to-time. Issuances of commercial paper notes reduce the amounts we can borrow under our credit facility.

Table of Contents

CAPITALIZATION
(In thousands, except per share amounts)

The table below shows our capitalization at May 31, 2006. The exchange of outstanding 6.50% Senior Notes due 2016 will not affect this capitalization.

Debt:

| | |
|---|------------|
| Revolving credit facility(1) | \$ 185,000 |
| 5.95% Senior Notes due 2013 | 345,457 |
| 75/8% Senior Notes due 2009 | 277,048 |
| Senior Floating-Rate Notes due 2009 | 300,000 |
| Senior Floating-Rate Notes due 2007 | 200,000 |
| 5.50% Senior Notes due 2014 | 247,441 |
| 5.60% Senior Notes due 2015 | 502,069 |
| 5.125% Senior Notes due 2010 | 299,740 |
| 5.95% Senior Notes due 2011 | 249,415(2) |
| 6.50% Senior Notes due 2016 | 249,683(3) |
| Other debt | 52,433 |
| | |
| Total homebuilding debt | 2,908,286 |
| Financial services debt | 1,232,471 |
| Limited-purpose finance subsidiaries debt | 176 |
| | |
| Total debt | 4,140,933 |

Stockholders equity:

| | |
|--|-----------|
| Class A Common Stock of \$0.10 par value share, 136,677 shares issued(4) | 13,668 |
| Class B Common Stock of \$0.10 par value share, 32,848 shares issued(5) | 3,285 |
| Additional paid-in capital | 1,727,407 |
| Retained earnings | 4,578,398 |
| Deferred compensation plan 414 Class A common shares and 41 Class B common shares | (3,817) |
| Deferred compensation liability | 3,817 |
| Treasury stock, at cost; 9,868 Class A common shares and 447 Class B common shares | (553,175) |
| Accumulated other comprehensive loss | (3,364) |
| | |
| Total stockholders equity | 5,766,219 |
| | |
| Total capitalization | 9,907,152 |

- (1) At May 31, 2006, we had \$1.6 billion of unused availability under our credit facility. On July 21, 2006, we entered into a new unsecured revolving credit facility that provides us with up to \$2.7 billion of financing. The credit facility also provides us with access to an additional \$500 million of financing through an accordion feature, subject to additional commitments, for a maximum aggregate availability under the facility of \$3.2 billion. The credit facility replaces our prior \$2.2 billion credit facility and matures in July 2011.

- (2) Net of \$585 discount.
- (3) Net of \$317 discount.
- (4) Does not include 7,368 shares of Class A Common Stock issuable upon exercise of stock options that were outstanding at May 31, 2006.
- (5) Does not include 266 shares of Class B Common Stock issuable upon exercise of stock options that were outstanding at May 31, 2006.

Table of Contents**SELECTED FINANCIAL DATA**

The following table sets forth our selected financial and operating information at or for the six months ended May 31, 2006 and 2005, and for the fiscal years ended November 30, 2001 through 2005. The information presented below is based upon our historical financial statements. Shares and per share amounts have been retroactively adjusted to reflect the effect of our April 2003 10% Class B common stock distribution and our January 2004 two-for-one stock split.

| | At or for the Six Months Ended May 31, | | At or for the Years Ended November 30, | | | | |
|--|---|-------------|---|----------------|----------------|----------------|----------------|
| | 2006 | 2005 | 2005 | 2004(1) | 2003(1) | 2002(1) | 2001(1) |
| | (Dollars in thousands, except per share amounts) | | | | | | |
| Results of Operations: | | | | | | | |
| Revenues: | | | | | | | |
| Homebuilding | \$ 7,524,020 | 5,091,253 | 13,304,599 | 10,000,632 | 8,348,645 | 6,751,301 | 5,554,747 |
| Financial services | \$ 294,142 | 247,452 | 562,372 | 500,336 | 556,581 | 482,008 | 422,149 |
| Total revenues | \$ 7,818,162 | 5,338,705 | 13,866,971 | 10,500,968 | 8,905,226 | 7,233,309 | 5,976,896 |
| Operating earnings from continuing operations: | | | | | | | |
| Homebuilding | \$ 988,285 | 761,980 | 2,277,091 | 1,548,488 | 1,164,089 | 834,056 | 666,123 |
| Financial services | \$ 45,216 | 35,249 | 104,768 | 110,731 | 153,719 | 126,941 | 87,669 |
| Corporate general and administrative expenses | \$ 108,423 | 77,987 | 187,257 | 141,722 | 111,488 | 85,958 | 75,831 |
| Loss on redemption of 9.95% senior notes | \$ | 34,908 | 34,908 | | | | |
| Earnings from continuing operations before provision for income taxes | \$ 925,078 | 684,334 | 2,159,694 | 1,517,497 | 1,206,320 | 875,039 | 677,961 |
| Earnings from discontinued operations before provision for income taxes(2) | \$ | 17,261 | 17,261 | 1,570 | 734 | 670 | 1,462 |
| Earnings from continuing operations | \$ 582,799 | 425,998 | 1,344,410 | 944,642 | 750,934 | 544,712 | 416,946 |
| Earnings from discontinued | \$ | 10,745 | 10,745 | 977 | 457 | 417 | 899 |

| | | | | | | | | |
|--------------------------------|----|---------|---------|-----------|---------|---------|---------|---------|
| operations | | | | | | | | |
| Net earnings | \$ | 582,799 | 436,743 | 1,355,155 | 945,619 | 751,391 | 545,129 | 417,845 |
| Diluted earnings per share: | | | | | | | | |